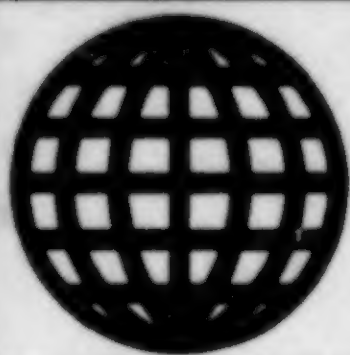




**FOREIGN
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Daily Report

East Asia

**FBIS-EAS-95-005
Monday
9 January 1995**

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Daily Report

East Asia

FBIS-EAS-95-005

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Japan

Murayama, Advisers Adopt Strategy for U.S. Talks

OW0701105695 Tokyo KYODO in English 1028 GMT
7 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 7 KYODO—Prime Minister Tomiichi Murayama and his senior advisers on Saturday adopted the basic strategy of preventing the forthcoming summit with U.S. President Bill Clinton from concentrating too heavily on specific steps to alleviate trade disputes between the two countries, officials said.

The stance was adopted at a meeting of Murayama, Foreign Minister Yohei Kono, Vice Foreign Minister Kunihiro Saito and other senior government officials at the premier's official residence, they said.

During Wednesday's summit in Washington, Murayama will seek to cover crucial bilateral and international issues in both the political and economic fields, including Japan's readiness to put up "an appropriate level of financial contributions" to help implement the Oct. 21 U.S.-North Korea nuclear deal, they said.

Murayama, who leaves for the U.S. on Tuesday, will seek to call Clinton's attention to the critical importance of the Japan-U.S. joint security arrangements in the still volatile security environment encircling Japan, they said.

The premier will also mention the need to prevent a possible flare-up of emotional antagonism between the peoples of the two nations as 1995 falls on the 50th anniversary of the end of World War II, they said.

The officials also said Japan should express its willingness to shoulder an appropriate level of contributions to help the Korean Energy Development Organization (KEDO) provide Pyongyang with two sophisticated light-water nuclear reactors under the October nuclear agreement.

Japan will also call Washington's attention to the need to involve other contributors to the KEDO consortium, in addition to Japan, South Korea and the United States, the officials said.

Under the Oct. 21 deal, Pyongyang promised to suspend construction of its graphite-moderated reactors, which are capable of producing larger amounts of weapons-grade plutonium, and accept international monitors into its most secretive nuclear facilities after a grace period of five years, in return for the KEDO project.

Meanwhile, Murayama will brief Clinton on Japan's position on speeding up the compilation of a five-year deregulation program designed to ease curbs on foreign competitors' access to the Japanese market, the officials said. The plan is expected to be completed by March.

They said Murayama will also pledge to contribute to international efforts to combat the spread of AIDS and check the growth of global industrial pollution—issues which represent a "common agenda" for the world community, they said.

The premier will seek Clinton's cooperation in bringing to a successful conclusion the upcoming parley at the Asia Pacific Economic Cooperation conference, slated to take place in Osaka in November, they added.

Vital Ties With U.S. Reiterated

OW0901110795 Tokyo KYODO in English 1057 GMT
9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—Prime Minister Tomiichi Murayama on Monday reinforced the importance of relations between Japan and the United States prior to his trip to Washington for a summit with U.S. President Bill Clinton, a Foreign Ministry official said.

In a joint interview with the U.S. press on the eve of his departure for Washington, the premier said Japan-U.S. relations are important to ensure peace and prosperity in the Asia-Pacific region and in the world.

The Murayama administration's stance toward bilateral ties with the U.S. is no different from traditional Japanese U.S. policy, the premier reportedly said.

The four U.S. news organizations that were allowed to interview Murayama about his U.S. trip were the NEW YORK TIMES, the WASHINGTON POST, the WALL STREET JOURNAL and the ASSOCIATED PRESS. Murayama will meet with Clinton in the U.S. capital on Wednesday.

During the 40-minute press meeting, Murayama said Japan has learned a lot from the U.S. over the past 50 years since the end of World War II, adding that in his meetings with Clinton he wants to express gratitude on behalf of the Japanese people for past U.S. cooperation and assistance.

He also reportedly expressed hope that he can speak candidly with the U.S. president about how their two countries will maintain bilateral relations during the next 50 years.

Murayama, who has twice met with Clinton since he became prime minister last June, said Tokyo wishes to increase close cooperation with Washington in tackling global issues as part of a "common agenda," the official said.

He met Clinton once at the summit of the Group of Seven major economic powers in Naples last July and the informal summit of the Asia-Pacific Economic Cooperation (APEC) forum in Jakarta last November.

On Japan's planned five-year deregulatory measures, the 70-year-old premier reiterated his administration's

resolve to push for deregulation not only to widen foreign access to Japanese markets but also to revitalize the Japanese economy.

Murayama also spoke of the need for the nuclear agreement signed between the U.S. and North Korea last October to be carried out "steadily," the official said.

He said Japan is ready to play an active role in helping inaugurate the Korean Energy Development Organization (KEDO) in line with the nuclear accord.

KEDO will be established in February, with headquarters in New York. The organization will supply North Korea with light-water reactors to replace its graphite-moderated ones as part of the nuclear agreement.

In the agreement, the U.S. pledged to arrange an international consortium to raise funds for the supply of light-water nuclear reactors in return for North Korea's promise to scrap its nuclear facilities.

Seeking 'Future-Oriented' Ties

OW0901031095 Tokyo KYODO in English 0254 GMT
9 Jan 95

[By Takehiko Kajita]

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—Prime Minister Tomiichi Murayama will confer with U.S. President Bill Clinton in Washington on Wednesday [11 January] and try to emphasize the positive areas of often acrimonious bilateral relations between the two nations in a year that marks the 50th anniversary of the end of World War II.

In his third encounter with Clinton since assuming office in June, Murayama will bring up the need for "future-oriented" ties between Japan and the United States, a Foreign Ministry official said. "The ultimate goal of the summit will be to reaffirm the importance of cementing sound Japan-U.S. Relations further," the official said.

Tokyo hopes to use the opportunity to forge more balanced bilateral ties by shifting the attention of the two countries away from bitter trade disputes and toward cooperation in tackling a broader range of global issues. "We are not planning to highlight specific sectoral trade issues at the coming summit and the same can be said for the U.S. Side," another Foreign Ministry official said.

Contrary to Japan's wishful thinking, however, the U.S. expects trade issues to rank high on the summit agenda, according to a senior U.S. official.

Although the two economic superpowers made great strides in the so-called "framework" trade talks in October, Washington appears poised to try to reach an accord on automotive trade, the most knotty sector among the unresolved negotiation areas.

Japan and the U.S. Have announced they will resume the long-stalled talks on auto trade and the auto parts market later this month.

In a rare negotiation tactic, Washington has revealed a plan to hold talks directly with Japanese carmakers in boosting sales of U.S. car parts in Japan in the face of Tokyo's stated policy of not negotiating any matter deemed to be "beyond government reach."

According to a U.S. Commerce Department estimate announced last week, automobile and auto parts trade makes up 59 percent of the 62.7 billion dollar merchandise trade deficit the U.S. is estimated to have posted with Japan in 1994.

The 70-year-old Murayama, Japan's first socialist prime minister in nearly half a century, is expected to brief Clinton on his administration's plan to wrap up a five-year program to promote deregulation by the end of fiscal 1994 ending March 31, a move Washington hopes to help spur sales of foreign goods and services.

Also high on the agenda will be multilateral cooperation in converting North Korea's nuclear program into one for nonmilitary purposes. Murayama, who leaves for Washington on Tuesday and returns home Friday, will restate Japan's readiness to make a "due contribution" to help inaugurate the Korean Energy Development Organization (KEDO), Japanese officials said.

KEDO will be established in February, with headquarters in New York, in line with a nuclear agreement signed between the U.S. and North Korea in October. The U.S., Japan and South Korea will hold working-level talks in Washington on Monday to discuss setting up the 4 billion dollar international consortium. Murayama will not say how much Japan will pay to help launch KEDO because the share of the cost each country that joins KEDO should bear has yet to be decided, a senior Foreign Ministry official said.

The premier will seek to reinforce the importance of maintaining Japan-U.S. Security arrangements and tell Clinton that Tokyo will continue to provide full host-nation support to U.S. Forces stationed in Japan, the official said. He is also expected to cite the need for the two countries to remain calm about a possible flare-up of emotions on both sides of the Pacific over events commemorating the end of World War II in 1945. "I believe we (Japanese and Americans) can see eye to eye on the notion that we must not let conflicts or wars ever happen again," Murayama said in a new year's press conference.

Murayama will also seek U.S. cooperation in bringing to a successful conclusion a meeting of the Asia-Pacific Economic Cooperation (APEC) forum set for November in Osaka, Japanese officials said. Japan, as the host nation, will try to build a consensus among the 18 APEC members over how to further refine an accord reached in Indonesia in November to achieve free trade in the region by 2020.

At Wednesday's summit, Clinton plans to urge Murayama to push for free trade in the Asia-Pacific region, a senior U.S. official said, noting Tokyo should

exercise leadership "in a proactive way" in order to sustain free trade momentum achieved at the earlier APEC parley.

The premier will point to the need for Japan and the U.S. To tackle in a more active fashion such global issues as the environment and aids as part of their "common agenda," according to Japanese officials.

During his stay in Washington, Murayama will also confer with three U.S. Congressional leaders—Senate Majority Leader Bob Dole and House of Representatives Speaker Newt Gingrich, both Republicans, and Senate Minority Leader Thomas Daschle, a Democrat. Foreign minister and Deputy Prime Minister Yohei Kono will accompany Murayama and is set to meet with U.S. Secretary of state Warren Christopher on Tuesday "to make some preparations" for the Murayama-Clinton talks, a Japanese official said.

Seeking Stronger Security Ties

OW0901112595 Tokyo KYODO in English 1118 GMT
9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—Prime Minister Tomiichi Murayama plans to relay to U.S. President Bill Clinton Japan's intention to beef up security relations with the United States, government sources said Monday.

The premier is to make clear a major shift in his administration's policy of "firmly maintaining" bilateral security arrangements to "strengthening" them in a meeting with Clinton in Washington on Wednesday, the sources said.

The government is considering promoting dialogue between security policy-makers of the two countries and including the outcome in a Japan-U.S. joint declaration to be released after a bilateral summit in Japan in November, they said.

Clinton is scheduled to visit Japan in November to attend an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum to be held in Osaka.

Murayama, who leaves for Washington on Tuesday, has twice met with Clinton since he became prime minister last June—once at the summit of the Group of Seven major economic powers in Naples, Italy, last July and again at the informal APEC summit in Jakarta in November.

In his first encounter, Murayama assured Clinton that his administration will keep the Japan-U.S. Security Treaty intact. Murayama's Social Democratic Party [of Japan] had staunchly opposed the bilateral security arrangements for decades.

"We would like to rectify Japan-U.S. relations which have focused only on economic issues and give higher priority to the security front," a Foreign Ministry source said.

Party Politics 'May Affect' Summit

OW0901061395 Tokyo KYODO in English 0603 GMT
9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—Prime Minister Tomiichi Murayama said Monday [9 January] the ongoing rift in his Social Democratic Party (SDP) [Social Democratic Party of Japan - SDPJ] may affect his visit to the United States that will begin Tuesday, party sources said.

Murayama met Masaru Hayakawa, an aide to the premier from the SDP, at the Prime Minister's Official Residence to discuss the state of affairs in the party, they said.

Commenting on some members of the New Democratic League (NDL), a rebel group within the SDP, who are threatening to secede from the party, Murayama said such a move may affect his administrative power at a time when he is visiting the U.S., the sources said. Murayama will meet U.S. President Bill Clinton in Washington on Wednesday.

NDL head Sadao Yamahana, a former SDP chairman, has said he will leave the SDP before an ordinary Diet session convenes on Jan. 20 if he fails to agree with Murayama on the planned new party. Some NDL members are expected to follow suit in a move that may jolt the Murayama government. The premier is worried about how many people will leave the SDP and asked Hayakawa for an estimate, they said.

Yoshiro Mori, secretary general of the Liberal Democratic Party (LDP), the largest component in Murayama's three-party coalition government, criticized the NDL over the possible breakaway. At a news conference, Mori said he can understand the move only in terms of the NDL wanting to be allied with the opposition alliance Shinshinto (the New Frontier Party) or that it hopes to bring down the coalition government.

The NDL, a group of SDP members to the right side of the party, held a meeting of executives in the morning and a General Assembly in the afternoon. Of the 24 members at the General Assembly, 13 people—including former SDP chairman Makoto Tanabe—said they will join an interparty panel to prepare for the planned new party. Yamahana and three opposition lawmakers formed the forum on Friday. The four dietmen will hold the panel's first meeting at 3 P.M., sources close to the forum said.

The NDL has advocated that the SDP hurry to dissolve itself and gather Japan's "democratic" and "liberal" forces together to rival Japan's two conservative parties—the LDP and Shinshinto (New Frontier Party).

Murayama addressed a midday meeting of executives of the three ruling parties—the SDP, the LDP and New Party Sakigake—and urged unity within his administration although he did not directly comment on the NDL, coalition sources said.

At the same gathering, LDP president and foreign minister Yohei Kono stressed that his party will continue to support the Murayama government, they said. Also around midday, Murayama met SDP secretary general Wataru Kubo and asked him to make further efforts to prevent the SDP from splitting, SDP sources said. As a result of their discussion, a meeting of Murayama, Kubo and other SDP executives was set for Monday evening, they said.

In the morning, Murayama told reporters he has no plans to try to persuade Yamahana not to quit the party. "I don't want to persuade. There were differences from the beginning," he said when asked to comment on his meeting Sunday with Yamahana, which ended in breakdown.

Chief Government Spokesman Kozo Igarashi, an SDP member, said separately that he believes the failed meeting between Murayama and Yamahana will not lead to a split in the SDP. "I don't think it will be the reason for a serious split in the party," Igarashi told reporters.

Kubo and other SDP members of the House of Councilors, the upper house of the Diet, agreed Monday morning on a compromise plan to form the new party before the July election of the upper house, SDP officials said. The compromise plan also calls for setting up a panel within the SDP to prepare for the creation of the new party, they said. They said the compromise plan will be presented to the SDP's policy-steering panel Monday afternoon so that it can be adopted at a special party meeting to be held next month.

Kono Discusses Summit, DPRK Nuclear Issue

OW0901104795

[FBIS Editorial Report] Tokyo NHK General Television in Japanese at 0000 GMT on 8 January, in its regularly scheduled "Sunday Discussion" program, carries a 75-minute panel discussion with Foreign Minister Yohei Kono, U.S. Republican Senator Frank Murkowski, U.S. Republican Representative Philip Crane, and Pak Su-gil, chief of the Diplomacy and Security Institute of the ROK Foreign Ministry. NHK commentator Takashi Yamamoto acts as moderator, and Hosei University Professor Yuji Suzuki and international consultant Yukio Okamoto join him in asking questions. The Japanese participants are located in NHK's studio, while the U.S. panelists join the program by remote hookup from Washington, D.C., and the ROK panelist by remote hookup from Seoul.

At 0003 GMT, Yamamoto begins by asking Kono for his views on 1995, the 50th anniversary of the end of World War II. After noting various tasks that the international community should work for in 1995, Kono says, "This is the year that Japan will say what it has to say."

Asked about his views on 1995, Pak says that the ROK will make efforts to provide contributions to the international community within the bounds of its capabilities.

When the topic of the Japanese-U.S. summit to be held in Washington on 11 January arises, Kono says that the roles of Japan and the United States in the international community may be discussed at this meeting to further develop bilateral relations for the upcoming era.

In responding to Murkowski's comment that the U.S. trade deficit with Japan remains very large, Kono replies: "The trade issue is of course a topic for the summit. It is an extremely important issue for Japan as well. The Murayama administration is determined to solve trade problems. We must work hard to settle these problems, and to promote deregulation as quickly as possible." Kono continues: "I hope that Japanese-U.S. trade relations will become well-balanced. Both nations must make efforts to achieve this."

As a concrete measure to correct the trade imbalance, Okamoto stresses the need for deregulation. In reply, Kono says that the government is determined to accomplish this.

When asked his views on the Japanese-U.S. summit, Pak says that the ROK is paying greater attention to the security issue, including the U.S.-DPRK nuclear negotiations, to be discussed at this meeting. He expresses the hope that at the summit, Japan and the United States can reach an agreement that can ensure peace in Asia.

In discussing further the DPRK nuclear issue, Kono—while noting how important it is for Japan and South Korea to maintain peace in Northeast Asia—praises U.S. efforts to settle the nuclear issue through negotiations. When Yamamoto asks the government's stand on providing financial support to the DPRK for its light-water-reactor conversion program, Kono says that Japan will do its share.

Okamoto then asks why Japan has to send money to that communist nation even though Pyongyang has been refusing to resume bilateral talks on the normalization of diplomatic relations. While acknowledging that such a view exists among Japanese, Kono notes the dangerous possibility that nuclear weapons could be built in a neighboring nation, and he says, "The government should take action to prevent North Korea from developing them, and eliminate the fear of nuclear weapons without reacting emotionally."

Kono agrees with Suzuki's opinion that Japan should stop being dependent on the United States in terms of negotiating with the DPRK, and he says that Tokyo should create its own channel of communication with North Korea so as to improve bilateral relations.

At 0051 GMT, Yamamoto discusses Japan's diplomacy toward Asia as a whole and introduces the results of an NHK survey that finds that an increasing number of Japanese view Japan's identity as being part of Asia. Kono replies that Japan's relations with Asia are as important as are its ties with the United States, and he continues that "it is meaningless to discuss which

country, the United States or Asia, Japan should pay more attention to" when the development of regional ties has become increasingly important for various countries.

When Murkowski refers to the DPRK nuclear issue by asking for Japan and South Korea's understanding and cooperation in resolving the nuclear problem, Kono says, "In order to implement in a sincere manner the accords reached at the U.S.-DPRK talks, the United States and South Korea will of course do their share, and Japan is also determined to fulfill its role."

Toward the end of the program, Okamoto says that the government should clarify what crimes Japan committed during World War II if it tries to settle postwar-related issues. In reply, Kono states that the government should teach the younger generation the fact that there are people who suffered greatly from World War II, and the government should educate them to learn from it.

The program ends at 0115 GMT.

Official Rules Out Redefining U.S. Security Ties

*OW0901102895 Tokyo KYODO in English 1010 GMT
9 Jan 95*

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—Japan is not considering adopting a joint declaration with the United States in November redefining bilateral security relations, a top Foreign Ministry official said Monday.

Vice Foreign Minister Kunihiro Saito denied at a press conference a report saying the Japanese and the U.S. Governments are considering redefining the security ties and are expected to make a joint declaration on ways to improve defense ties when the leaders of the two countries meet during the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November.

The YOMIURI SHIMBUN reported over the weekend that Prime Minister Tomiichi Murayama is expected to outline Japan's proposals for revamping defense ties when he meets U.S. President Bill Clinton on Wednesday in Washington.

Saito said Japan does not have such plans at the moment, although Murayama and Clinton are expected to reaffirm that the bilateral relations on security play a central role in Japan-U.S. ties.

Takemura, Kaifu Preview U.S.-Japan Summit

OW0901092195

[FBIS Editorial Report] Tokyo ASAHI Newstar Television Network in Japanese at 1100 GMT on 8 January, in its 105-minute "Sunday Project" talk show, carries a live, 30-minute interview with Finance Minister Takemura followed by a 27-minute interview with New Frontier Party head Toshiki Kaifu. The program's regular interviewer Soichiro Tahara talks to each of them.

At 1106 GMT, Tahara begins by asking Takemura about his hopes for the new year. Takemura says he is hoping to make 1995 a year of creation, noting the need to create a new economic and political picture.

Tahara then refers to Takemura's 7-day Asian tour of China, Singapore and Malaysia which is due to start on 9 January. He asks if the visit to China has any connection with Prime Minister Murayama's scheduled visit to the United States.

Takemura says: "There is no direct connection. Improving relations with the United States continues to remain a key part of our diplomatic policy, but Japan-U.S. relations themselves and the political situation in the United States are changing. There are also economic problems between Japan and the United States.

"Japan-U.S. relations, therefore, are entering a delicate or new era. In that context, I think Japan-PRC relations will change also. In such circumstances, I think, no matter who is in power, maintaining good diplomatic relations with the PRC, which is a key Asian country, and the United States is important."

Takemura adds that his visit may pave the way for Murayama to visit China also.

Referring to Murayama's U.S. trip, Takemura is asked what the main topic of the summit talks will be between Murayama and President Clinton.

Takemura says: "Well, I do not think they have any impending issues for the time being, although there are some economic issues such as negotiations on trade sectors."

He adds: "I think that in the context of marking 50 years since the end of World War II, the talks will focus on a new framework for Japan-U.S. relations based on bilateral diplomatic strategy, security, and the economy, including the Japan-U.S. Security Treaty."

Asked if a possible review of the security treaty might be discussed, Takemura says: "The treaty has aspects of it which involve the protection of Japan and East Asia, and in this sense, in terms of ensuring security for all of East Asia, the role of the treaty and how it should work in future may well be discussed."

Turning to economic issues, Tahara asks if it is possible to achieve the government-set 2.8 percent economic growth this fiscal year.

Takemura says it is, and discusses his views on sluggish movement among stock prices. He says he intends to promote as much deregulation as possible in the securities market, noting the finance ministry will keep a careful watch on it.

Asked about the possible dismantling or consolidation of government-affiliated financial bodies, Takemura says rationalizing them is an essential part of the overall review needed to carry out administrative reform.

He is then asked if his Sakigake (Harbinger) party will leave the coalition if the Murayama administration fails to carry out administrative reform.

Takemura says: "Yes, we are considering that possibility," adding that administrative reform is next on the Murayama cabinet's action list. He then goes on to say that the possibility is small because of the Murayama administration's strong determination to implement administrative reform.

On the internal dispute within the Social Democratic Party of Japan caused by one faction's push to form a new party, Takemura says he sympathizes with the move to form a new party, but questions the tactics of the New Democratic League (NDL), which could split the party.

Takemura then discusses his party's election strategy, ruling out cooperation with the New Frontier Party (NFP) in fighting the next general election.

The interview ends at 1136 GMT.

At 1138 GMT Tahara turns to NFP head Toshiki Kaifu and asks how he views the Murayama "vision" policies of the coalition government.

Kaifu says the NFP shares the same goals put forward in the Murayama "vision," but notes attention is focused on how these ideas will be translated into action.

On the issue of administrative reform, Kaifu says his party will cooperate with the coalition.

Asked what he would emphasize if he were holding talks with President Clinton in place of Murayama, Kaifu says: "Japan and the United States have taken the lead in promoting the Asian Pacific and world economies.

"However, luckily or unluckily, what captures most of the attention is the trade balance. There have been various criticisms of Japan's trade surplus, but I do not think the future of the international community should be discussed only in terms of trade balance."

He adds: "What Mr. Murayama has to do first, is establish a relationship with President Clinton based on trust. After that, it is desirable that the two leaders share similar views and announce their intention to promote future-oriented, bilateral relations."

Kaifu then explains the significance of the NFP's "tomorrow" cabinet, and the personnel it has chosen, discussing the team's major goals and its strategy for the forthcoming Diet session.

The interview ends at 1205 GMT.

Future Japan-U.S. Economic Ties Discussed

*OW0601144295 Tokyo GAIKO FORUM in Japanese
Dec 94 pp 57-68*

[Debate between Fuji Xerox chairman Yotaro Kobayashi and Sadayuki Hayashi, deputy vice-minister of

foreign affairs, moderated by Keidanren managing director Kazuo Nukazawa, on 7 November: "The Economic Relationship Between the United States and Japan Goes Beyond the Bilateral Relationship—Future of the United States and Japan Following Agreement on the Framework Talks"; place not given]

[FBIS Translated Text] Two Benefits of the Japan-U.S. Economic Framework Talks

[Nukazawa] The Japan-U.S. Framework Talks have almost taken shape. Today, I would like you to discuss how you evaluate these talks at this stage. First, what is your opinion, Mr. Kobayashi?

[Kobayashi] I do not know if I can make a fully objective evaluation, but I think we can look at them from two aspects.

One is, looking back at the framework of the Framework Talks, how do we evaluate the Framework Talks as a mechanism to discuss economic issues between the United States and Japan.

The other is how, for the present, do we evaluate the results which were reached utilizing that mechanism.

First, evaluation of the results. The Framework Talks followed after the Structural Impediment Initiative (SII), and by agreement between President Clinton and Prime Minister Miyazawa started with three large "packages"; namely, global issues which concerned both the United States and Japan, macro-economic issues, and micro-economic issues, which included government procurement. Therefore, when we evaluate the contents of the Framework Talks, it will not be realistic to discuss them while ignoring the changes in the political environment both in the United States and Japan. I am not sure if the outcome would have been the same if the Miyazawa Government had continued and conducted the Framework Talks with the Clinton Administration.

The Clinton Administration on the U.S. side is a Democratic Administration which replaced the long-serving Republican administrations. Moreover, in contrast to past Democratic administrations, it is an administration which won the election by taking a position tilted far more toward the business sector; some people said even to some specific industries. As for the Japanese side, there was a political situation in the background in which the 1955 structure had ended and the government changed fairly often. I think it was a fact that these factors substantially influenced the content of the negotiations. As for the macro-economic issue concerning the tax system—how to make up for the tax cut—which had been debated both in the United States and in Japan, it was inevitable that a conclusion was not reached last summer, because of such a background situation.

Keeping these factors in mind, when I think about the results this time, I feel I should value the fact that the two governments came to a settlement, thus far anyway, although some disputes still remain. It is not good at all

that the talks continue endlessly, wedded to objective criteria and seeking results for each sector. Also, it is questionable whether or not the comprehensive approach is appropriate as a mechanism to solve problems between two countries. Also, I think it is an opinion shared by the Japanese Government and people that it is not appropriate at all that government was even brought in to areas where there was no "government reach" [sphere of government responsibility]. Moreover, the United States firmly demanded some form of Japanese Government guarantee. Probably the United States could not simply retreat from this position either, once it had strongly declared it. But in the end, going beyond such a position, they eliminated numerical targets, came to agreement in three areas, and reached a settlement in a way which avoided a total break down. I think I can give high marks to this.

[Hayashi] It is a good idea to discuss separately the issue of the mechanism of the Framework Talks and the issue of the results which were reached for the time being.

First, about the content. We went to the negotiation with three principles.

First was the issue of "government reach," that is to say that negotiations should be limited to issues where the government could reach. Second was the fact that we could not guarantee results. Third was the position that all measures which would be agreed to by the United States and Japan should apply to third countries. The third point is an extremely important one, and during our negotiations European and Asian countries expressed their concern in various ways. The Europeans expressed their concern that, as the United States and Japan made specific, concrete commitments, U.S.-Japan trade would take priority, and, as a result, trade with Europe would be damaged. As for the Asians, the fear was that, if Japan made a specific import commitment, the same might be demanded of the Asian countries. Japan was concerned about how to coordinate the U.S.-Japan negotiations within the multilateral trade system. I think, in the end, it turned out very well: the negotiations were concluded in a manner in which the principles which Japan had advocated were carried through.

Also in the negotiations, although eclipsed by the issue of the so-called objective criteria which was heavily discussed, Japan adopted a series of improvement measures for procurement procedures for government procurement in the electronic communications and medical technology fields. As a result, the transparency of government procurement has greatly increased, and it has become easier for foreign enterprises to participate because procedures have become highly competitive. This is deregulation in the broad sense, and I think we are going in the right direction. When we took it upon ourselves to conduct negotiations, we asked all the related government offices to do their best in that area and crammed in as much as we could. As for the

principles which are symbolized by the three principles mentioned earlier, we took the position that we would adhere to them. People may have many opinions concerning the way the Japan-U.S. Framework Talks should have gone, but I think it was good that agreement was reached in one of the priority fields.

As for the backdrop for the agreement this time, there was also a change in the environment. But one of the big points was, as macroeconomic policy, that we succeeded in proposing in clear terms a permanent tax cut and in setting a period of three years before the consumption tax increase. Last February, the initially-pledged Y6 [yen] trillion permanent tax cut was changed to a tax cut for only one year, and the U.S. side was disappointed. But this time, we made the decision on the tax cut and, moreover, gave three years before the consumption tax would be raised. So Secretary Bentsen also said that he valued it. Such measures for business recovery were good for Japan, but also were useful in concluding negotiations with the United States.

Further, it is stated in the last July joint announcement by the U.S. and Japanese top leaders that they would decide two years later on what they would do with the Framework Talks themselves. So I expect a discussion will probably take place on what they will do with the framework itself at the Japan-U.S. summit meeting when the [G-7] Summit is held at Halifax, Canada next summer.

[Nukazawa] As for the contents Mr. Kobayashi talked about, I think you meant that we could provide some macro economic indicators.

[Kobayashi] That is right. We feel that we should also deliver so-called supporting arguments for numerical targets, in terms of macro economics, to the government, rather than arguing against the United States. That is because there was such thinking in the Japanese economic plan to begin with. What is effective toward the outside depends on timing, so if it had been done sooner, it would have been fairly effective. Whether it would be effective or not if we were to do it now is questionable.

As for the question of what matters to include for discussion in the Framework Talks, in addition to government procurement, automobiles, automobile parts, and insurance were included. Automobiles and automobile parts are still unsolved, but excluding problems such as existing regulations and areas which are the subject for government reach, the majority are fundamentally issues for the private sector. It was questionable for rational Americans to make such unreasonable demands as that we promise a specific number of sales outlets.

Connection With the SII—Deregulation

[Nukazawa] Some people think the negotiations will revert to the SII. I too feel that if we are not to set up numerical targets, we have no other course but to go back to the SII. Still, in this round of Framework Talks, the

argument that the United States and Japan were so fundamentally different was strongly voiced. Some Japanese are critical that if such an argument of Japan-U.S. heterogeneity and the SII are combined, correcting only the Japanese system and not touching the other's system would be troubling. First, what do you think about the issue of whether or not to return to the SII?

[Hayashi] In the Japan-U.S. Framework Talks, there are about 20 items—depending on how one counts them—and many of those concern structure and deregulation. There is an element of SII, or shall I say deregulation, in the Framework Talks to begin with.

I do not understand why the United States was such a stickler for ideas such as numerical targets, but for one it might have been difficult to withdraw because it was an election promise. We, who were engaged in the negotiations have some regrets, but the U.S. side too has some regrets. From such a viewpoint, we believe that the future emphasis of the Japan-U.S. Framework Talks should be placed on the discussion structure, such as deregulation, thoroughness of competition policy, and so on. Similar opinions have been voiced from the American side as well, so the emphasis will be placed in that direction.

As for the cooperation from the global perspective that Mr. Kobayashi mentioned earlier, one of the big items in the Japan-U.S. Framework Talks is Japanese-U.S. cooperation on issues such as AIDS, environment, and population. We call these items the "common agenda." This is a very important area, and we are trying to have American people and Japanese people understand that we are engaged in such efforts.

[Nukazawa] Whether we should return to the SII or not, a Japanese-U.S. effort is being made in the direction of deregulation. As I look back at the SII, there was an issue because we made a promise to spend Y430 trillion on public investment during the next 10 years. How do you, Mr. Kobayashi, feel about an issue of that nature? To what extent should bilateral discussions cover macroeconomic targets?

[Kobayashi] That turned out to be Y630 trillion in the end. The issue was whether the figure of Y430 trillion was, in the end, reached as a result of U.S. coercion or not. From the outset, the improvement of the infrastructure had been taken up as an important issue in Japan, and a five-year plan to improve the quality of life was made. If I really must comment, Y100 trillion—the figure first proposed—and new capital improvement, especially relating to the information infrastructure, were viewed as extremely important in connection with deregulation. So even if it [public investment] was proposed by the United States, the decision was not felt to be the result of external pressure.

[Hayashi] In the SII, the Japanese people were supportive not only on the issue of the Y430 trillion but also

on the issue of deregulation of the law governing large-size stores. On the other hand, for the current Japan-U.S. Framework Talks, especially concerning the three priority areas, there is hardly any support in Japan. I think that is the great difference. As for the issue of the Y430 trillion, there may have been some discussion that it was not right to decide things 10 years in advance when the budget was being established on an annual basis. But we obtained the Japanese people's consent because Japan was doing what it ought to have been doing. The feeling was that we were not doing it because we were told to do so by the United States, but we should have already done it.

[Nukazawa] It has been several years since the SII. Have both countries been following up on the results?

[Hayashi] We carried it out at the end of the Bush Administration. We were to continue it, but when the Clinton Administration began, they notified us at one point that everything the Republican government had done was wrong and that they wanted to terminate the SII. We explained what the SII was, and we were to continue the follow-up of the SII in the Japan-U.S. Framework Talks. Still, it is unmistakable that the focus [on SII follow-up] is limited because it was something associated with the Bush Administration.

[Kobayashi] I can conclude that Japan is doing more, can't I?

[Hayashi] Of course you can.

Bilateral Talks and Multilateral Talks

[Nukazawa] I think Japan and the United States will have to solve many things through bilateral talks. There are some opinions in the business sector that it is better to switch to multilateral talks. What do you think about that point?

[Kobayashi] My answer is that it is better to shift to multinational talks. Recently, Europe is worried about the Japan-U.S. bilateral decisions, and Asia is also nervous. This is not new, and it has been so in the past. For one, it is a reality that the closeness of the interdependency of the U.S. and Japanese economies is far greater for both Japan and the United States in comparison to that with other countries. Also, the Japan-U.S. relationship is not limited to the economic relationship. It is a fact that Japan cannot help but attach great importance to the United States, including on broad political issues. Even if there was no intention to exclude others, such a feeling was in the background of the bilateral agreements.

I do not feel that the officials engaged in the negotiations believed such bilateral relations created absolutely no problems for multilateral relations. But on the whole, they conducted the negotiations in an environment where they had to [ignore multilateral relations]. Now, as we think about Asia and Europe, the importance of the

Japanese-U.S. relationship, especially the economic relationship, to the regional or multilateral relationships is becoming even more important than before.

As for direction, there is also an issue about whether APEC (Asia-Pacific Economic Cooperation) could have a dispute management mechanism; but the WTO (World Trade Organization) should possess such a mechanism, and in that large framework issues between the United States and Japan should be taken up. At least we must come forward with our policy and should not compromise prematurely.

[Hayashi] Basically, I agree. But as a realistic matter, the WTO is expected to start 1 January 1995, but as for its functions, there are two points: first, unlike GATT which took up goods as the subject, the WTO increased its competence to include services, finance, intellectual property, and investment. And its function is to watch whether the agreed rules are adhered to or not, and, if not adhered to, to take corrective action. Second, it is to supply the platform for large-scale negotiations. These functions are not necessarily directly compatible with what the United States and Japan are doing today.

The United States, applying the Super 301 Provision of Trade Act, claims that what Japan is doing is unfair. But if it is brought to GATT or the WTO, I do not think it can prove which article Japan is violating. That is why the United States does not claim that the Japanese measures violate GATT, even though it claims the Japanese measures and system are improper. Then we should use GATT or the WTO as a negotiation platform. However, the Uruguay Round, for example, involves a hundred or so countries, and so tends to become extremely conciliatory, applicable to the greatest common denominator, and it is impossible to fine tune. Therefore, it is inevitable that there are still items remaining which can only be dealt with bilaterally. At the time of the SII, some people argued that issues such as structure were not suited to bilateral discussion and should be discussed, for instance, in the OECD (Organization for Economic Cooperation and Development). In fact, the OECD handles structural issues. But in the end they were to be taken up in the bilateral negotiations. But now, the Japan-U.S. Framework Talks will be continued, while the unsolved issues there could be brought to the WTO for a final decision, once the WTO is inaugurated.

[Nukazawa] If the United States and Japan decide everything in bilateral talks, do you not worry that the hollowing out of GATT and the WTO could occur?

[Hayashi] If it means that the United States and Japan conduct activities that are prohibited under the GATT, then it would lead to the hollowing out of GATT. But if the activities are permitted under GATT, we do not have to worry. On the other hand, even under that principle, we could end up violating GATT. Of this we must be careful. Concerning the old semiconductor agreement, Europe brought a case before GATT against the United

States and Japan, and again, this time, the EU is proposing talks at GATT concerning the mobile telephone issue. Japan intends to fully explain that we are not violating GATT, but it is good in many senses to discuss with a third country in an official setting.

Deregulation Structure Should Be Studied

[Nukazawa] I think it was a very important element how the negotiation was viewed by Europe and Asia when the United States and Japan negotiated this time. I think it is unmistakable that Asia considers the Japanese market to be closed. Although Japan, by and large, succeeded in this round of talks to uphold its principles, there are many things Japan must do.

[Kobayashi] Exactly. There is the deregulation issue which is again the focal point in Japan. On this I think we should make concrete progress. What is important is to do what is good for the Japanese economy. But if there is a room, it is also necessary that we pay heed to the priority concerns of Asia, the United States, Europe, and so on.

There seem to be many regulations which are not only not positive for peoples' lives, but rather harmful. These should be scrapped quickly, and matters such as the principle of self-responsibility should be properly taken up. Also, we should publicize more concretely the following fact and raise the level of the Japanese peoples' awareness: if, as a consequence, the market widens in Japan, it will result in a widened market for outside [countries] as well, and this will increase the world's trust in Japan. Although Asian people are critical of the United States' strong-arm tactics, it does not mean that they totally approve of the current Japanese situation. We must keep that in mind too.

[Hayashi] Asian countries are merely critical of the U.S. practice. I do not believe either that they support the Japanese system itself. Asia and Europe think that the Japanese market is still closed. I believe that, for the sake of Japan as well, deregulation is the way to go.

But the reason the regulations were made was—although there are different situations for each regulation—that in most cases consumers sought government responsibility, and the government created the regulations. That is the picture. In that sense, it is necessary to change the mentality of each Japanese. As a result of deregulation, in the short term, an increase of unemployment and other difficult adjustments will be necessary. But in the long run, I am certain that the economy will become invigorated.

[Nukazawa] In the past, there were such things as the OECD code for the liberalization of capital movements, for example. They were held up as standard, internationally-agreed common sense. As for the current SII and Framework Talks, however, even though the level of Japanese regulations is certainly very strict, there is no

standard. We are at a stage where we must come up with such a standard but it is also difficult to persuade the Japanese people.

[Kobayashi] It is hard to persuade them. If we try with an argument of principle or with a general argument, it becomes even harder. So it would be better if we could use concrete figures as a subject of discussion: if we deregulate here, new business areas would increase this much in this sector, and it would bring this much of a result. And I also want the facts more widely known that when we talk about comfortable living, many of the regulations are in connection with housing; when people simply want to build a house, there are so many strict binding regulations.

Politics and Economics in the Japan-U.S. Relationship

[Nukazawa] In the midst of the Framework Talks, one high ranking American official repeatedly said, "I hope these issues will not jeopardize the Japan-U.S. relationship, and affect even the security relationship." So we were worrying, from the opposite side, that the entire security relationship would deteriorate if the [Framework Talks] do not go well. From the bureaucrat's standpoint, do you consider that it is absolutely essential to maintain the Japan-U.S. relationship?

[Hayashi] We obviously do not discuss the Japan-U.S. relationship based upon a policy consensus of all the ministries. But in the Ministry of Foreign Affairs [MOFA], such a consciousness naturally exists. Moreover, when I talk with officials from the Ministry of Finance [MOF] and the Ministry of International Trade and Industry [MITI], I feel that their judgments are based upon such a consciousness.

[Nukazawa] There is a recognition that economics and politics are separate but are connected at bottom. Also, there is an awareness that the security issues today cannot be handled by global mechanisms such as the WTO, so Japan must rely on the United States. As a consequence, one way of looking at it could be that we have no choice but to yield to the United States in the bilateral relationship.

[Kobayashi] I think that is roughly correct. But is it not a matter of degree? For the United States, the bilateral relationship has the strong nuance of being a mainstream relationship not only with Japan but in relationships with other countries. Based on that premise, Japan should make it plain that what we cannot accept we cannot accept. There may be limits on the functions of the WTO, but we should bring to the multilateral forum what we can. Still, we do not need to go as far as saying that the Japan-U.S. relationship is exactly the same relationship as that with other countries. That is simply wrong. The degree of the difference in nuance is very fine, and it differs with each individual issue.

[Hayashi] I think there are different aspects in the Japan-U.S. relationship. However, pursuing the economic

aspect alone, for example through a relationship in which the United States applies pressures and makes demands, will strengthen the negative image in Japan of the United States as an unlikable country which places unwarranted pressure on Japan. This is not good for the long term Japan-U.S. relationship. Therefore, it is important for the mid-term Japan-U.S. relationship not to create the source of a calamity because we refuse to do what we cannot agree on. We need to go ahead and do voluntarily what Japan should do. And if the United States happens to take measures against Japan which seem to violate the GATT, we must take them to and consult with GATT. I think we should develop such a relationship.

[Kobayashi] There is an argument that goes something like this: Prior to the end of the Cold War, even if there were problems with Japan, the United States was tolerant. But now since the Soviet Union—the great hypothetical enemy country—is gone, the most convenient hypothetical enemy country in the economic field which has emerged in importance is Japan. I do not agree. I do not believe that the United States feels insecure if it does not have a hypothetical enemy. There certainly is some discord in the economic relationship between the United States and Japan. But the areas which are mutually beneficial are far greater. Both government and people clearly value the latter.

It has also become an issue as to how the competitive relationship of the United States and Japan will play out in the Asian region. I think we must refrain from accepting that a clash of Japan and the United States is a market inevitability.

[Hayashi] That is really true. I think the Japan-U.S. economic relationship should be guided toward one like the U.S.-European economic relationship. The U.S.-European economic relationship is linked through numerous networks. The trade and investment relationship is so extensive that friction occurs in many areas. As a result, sometimes there are ultimatums. But these are handled without heated emotion.

But in the Japan-U.S. relationship, the mere preliminary notice of an ultimatum will cause a great commotion. We should calmly seek solutions through established procedures, and Japan should also bear responsibility for the commotion.

Japanese-U.S. Economic Relationship and APEC—APEC's Two Directions

[Nukazawa] Next, I want to consider regionalism and the Japan-U.S. relationship and the scope of the future Japan-U.S. economic relationship. Mr. Kobayashi, what is your opinion, in connection with APEC?

[Kobayashi] Our ideal is the free economy at the global level. But as a preliminary stage, NAFTA, the EU, and APEC—as an Asia/Pacific block—will be functioning. I

think it is important that each of these, including the WTO mentioned earlier, function with multilateralism in mind.

As for APEC, there is the issue of how APEC should be organized. I think it should focus purely on economic aspects for the time being. As for its direction, I think it is a good idea to include giant countries, such as the United States and Japan, down to small countries, in a broader framework. And it is also good to keep the WTO in mind. We need to consider frankly the fact that there are people such as Mahathir who believe that APEC should be an organization which will not be influenced by giant countries such as the United States and Japan; and we need to think over what kind of position Japan should adopt in that regard.

Another point. I think broadening the opportunities for dialogue between NAFTA and Japan, for instance at the private sector level, would be one meaningful way to bring each block gradually closer to the global level.

[Nukazawa] As for the characteristics of APEC, there are two directions. The direction the United States advocates is to create an economic zone controlled clearly by equality, rights, and duties under law. The other direction is that Asia should liberalize gradually and flexibly in keeping with each country's situation, taking into account Asian realities. What is your feeling?

[Kobayashi] As for the actual direction, I think it is desirable that it gradually turns out to be the universal organization which the United States and others advocate. But there should be different patterns in democracy, and it would be good that APEC provides a place for discussion of that sort of issue by like-minded parties. Those two [directions] are in a sense inevitable, and the very fact that they exist indicates that the Asia-Pacific region is extremely dynamic. Some degree of difference may remain, but thinking about basic values, democracy, human rights, and so on will gradually change.

[Hayashi] As for the characteristics of APEC, I think there are differences between American thinking and Asian thinking. The United States probably wants to make it a tightly structured organization where negotiations on trade can also be conducted, and Asia wants it to be a quiet place of cooperation. On the other hand, President Suharto's Asia-Pacific trade liberalization concept goes far beyond the Asia APEC which we have had in mind. Of course we will work on the details of how it should be dealt with in the future, but such initiatives are important, and we should actively support them.

Fundamentally, we are pursuing global liberalization and are taking part in APEC as a place for open regional cooperation. In Suharto's concept, we will simply make a declaration of regional trade liberalization. After that, a determination is to be made as to whether or not to apply it to countries outside the region. It is important for

Japan to formulate its thinking. In some circumstances, Japan may have to decide at a fairly early stage.

[Nukazawa] If the United States is to use APEC as a lever in its negotiation with the EU, wouldn't some hesitation arise on the Asian side?

[Kobayashi] I wonder. In concrete terms, if we are to develop discussion along the lines of the Suharto concept, a rather firm structure would take shape. If that sort of structure were to be established, I think it is undeniable that for the interim it would become a single block. Because we share some members with NAFTA, we might possibly find some new way to handle such matters as treatment of overlapping aspects of APEC and NAFTA, and so on.

[Nukazawa] When the United States was powerful and pressured Japan with Article 301, there were many results which benefited. If the United States stops that sort of thing, and Asia does things in an Asian way, there will be no one who will apply "discipline." Japan has a problem-ridden past and depends considerably on the United States in the current maintenance of its security. So the Asian countries believe Japan does not have much right to speak out. Therefore, Japan cannot seek to apply "discipline" in Asia.

[Kobayashi] I do not mean that we should force discipline. But the Asian countries' view of Japan, in its economic aspect, is [mixed]. On one hand, the Japanese market appears closed, Europe and America are given priority, and Asia takes a back seat. But they are also clearly attracted by the Japanese model's principles of economic activity. There Japan should be confident and state frankly that, in a sense, we have created something different from the American and European models. I wish we could explain that in a universal language.

[Nukazawa] There are things that Japan needs substantially to regret and reflect upon. But our average life expectancy is long, the crime rate is low, and the growth rate and unemployment rate are fairly good. So I feel we do not want to abandon the things which were the primary factors for bringing about these conditions. I wish we could explain somehow in a universal language. Thank you very much.

Expert Calls For Continued Partnership With U.S.

OW0701155095 Tokyo SANKEI SHIMBUN in Japanese 5 Jan 95 Morning Edition p 13

["Fair Argument" column by Kenichi Ito, Aoyama Gakuin University professor: "The Japan-U.S. Alliance Should Be Maintained"]

[FBIS Translated Text] My Perception of the 50th Anniversary

I still remember 15 August of 50 years ago. At that time, I was a second grader seeking refuge in a rural area, and

I felt somewhat relieved at the news. I was really excited when I had U.S. rations of pineapple for the first time, and, honestly speaking, I thought "there is no way to beat Americans having good food like this." When Douglas MacArthur said "Japanese people have a mental age of 12 years," people thought that his statement was true. At that time, the Japanese people desired to become good students for the teacher—the United States. For Japanese, everything in Japan seemed feudalistic, anachronistic, and reactionary, and the people seriously thought that the construction of a new Japan should be started based on a total denial of the past.

In 1960, or 15 years after the war, I went to the United States as a student dispatched by the Japanese Foreign Ministry. I was pretty nervous about going to the United States because I thought "Americans may insult or physically abuse me since I am from a loser nation." However, what I actually saw was the glory and tolerance of the United States in the shining days of the 1960's. The only thing which made me nervous was a trip to Texas, where signs saying "whites" and "colored" were placed everywhere. I still remember how guilty I felt when I decided to enter a restroom for "whites."

Following the U.S. Was the Normal State of Japan's Diplomacy

In the early 1970's, I had another chance to live in the United States. As a diplomat stationed in Washington, I came across a United States undergoing drastic changes—the Vietnam war defeat and the Nixon resignation over the Watergate scandal. During my assignment to the embassy in Washington, former Prime Minister Kakuei Tanaka visited Washington for the Japan-U.S. summit talks. While the two nations already had minor trade frictions in some fields, there were not many topics to discuss at the summit talks. The Japan-U.S. summit talks were usually carried out in line with the scenarios provided by bureaucrats, and the real objective of the talks was nothing more than a courtesy visit. At that time, the Soviet Union, still strong, was the common enemy of the two nations, and the power of the United States was superior to any other nation. Under the alliance with the United States, Japan used to stop thinking and blindly follow the United States whenever it faced critical problems.

However, it seems that U.S. leadership in the world began to rapidly decline in many fields in the late 1980's. In 1985 (when a dollar was sold for 240 yen), the Group-of-Seven reached the so-called Plaza Agreement, which was the starting point of the dollar's decline. At the same time, the economy of the Soviet Union was also reaching a breaking point, although Mikhail Gorbachev took power that year to promote perestroika. The collapse of the Berlin Wall in 1989 became the prologue of the conclusion of the bipolar framework led by the United States and the Soviet Union. In 1990, Iraq invaded Kuwait as if to take advantage of the decline of U.S. and Soviet leadership. In my book "The Great

Strategy of Japan" published in 1990, I asserted: "About one-third of Japan's exports are to the United States. The Japanese economy is run by dollar earnings from the United States, and the dollar is indispensable for imports of food and raw materials. In order for the mechanism to be effective, it is necessary to maintain global security, including freedom of travel, and international public property, including the free trade system. These do not naturally exist in the world, but are maintained by someone's efforts. Japan expects the United States to bear the burden. This is the reality of the international community made clear by the Iraqi invasion of Kuwait." In the book, I tried to say that the Japan-U.S. alliance is a lifeline for Japan, and that Japan should do everything it can in the Gulf to secure its ties with the United States.

Declining Reliability

With the 50th anniversary of the conclusion of the war near at hand, I still feel the same. But Japan probably has to review an important point of its policy toward the U.S. We cannot deny the fact that, in relations with the United States before the 1970's, "Japan stopped its thinking when it faced vital problems, and blindly followed the United States." However, it is also true that the United States at that time had capacity and insight as a world leader. To my sorrow, the United States in the 1990's is rapidly losing such reliability due to its impatient attitudes. While the impatience of the United States is mainly caused by external circumstances, we cannot neglect the change. Hereafter, Japan must "think hard when it faces vital problems," and give the United States necessary advice.

MITI's Stance on U.S. Auto-Parts Dispute Noted

OW0901111195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Jan 95 Morning Edition p 3

[FBIS Translated Text] In reacting to the U.S. Government's policy—in connection with the Japanese-U.S. negotiations on the auto and auto parts sector under the economic framework talks—that Under Secretary of Commerce Gatten will visit Japan to urge auto manufacturers to increase their voluntary purchase of foreign-made parts, the Ministry of International Trade and Industry [MITI] says, "This proves that the U.S. side is impatient because of the deadlock in the talks, but for the time being we will observe how the situation goes" (according to officials of MITI's Industrial Policy Bureau). Although the government-level negotiations will resume late this month, MITI believes that "the under secretary's direct talk with automakers will have little impact on the government-level negotiations."

To resume the negotiations, which have been deadlocked since last October, the Japanese side attached conditions that "setting numerical targets and other areas that go beyond the government's responsibility should not be discussed," and the U.S. side accepted such conditions. However, because the United States cannot withdraw its conventional contentions backed by U.S. parts makers

calling on Japan to increase its voluntary purchases, the U.S. Government had no choice but "to work on Japanese automakers directly" to increase their own voluntary purchases (according to MITI).

Because the U.S. Government's move can be taken as giving up on the government-level negotiations on the auto parts sector, MITI believes the impact that such a move will have on the overall economic framework talks is small. It is, however, difficult for Japanese automakers to accept the U.S. side's request because of severe economic conditions, and it seems that the auto issue will continue to remain a seed for friction between the two nations.

Opposes 'Coercive Measures'

*OW0601132295 Tokyo ASAHI SHIMBUN in Japanese
5 Jan 95 Evening Edition p 1*

[By correspondent Hiroaki Ito]

[FBIS Translated Text] Washington, 4 January—On 4 January, a senior U.S. Government official disclosed that Washington had decided to directly negotiate with Japanese automakers on Japanese makers' voluntary targets for the purchase of foreign auto parts, a key issue in the Japan-U.S. autos and auto parts talks under the bilateral framework trade negotiations. The decision was made following Tokyo's rejection of negotiations over voluntary targets, saying: "We will not discuss issues beyond governmental control." Through unusual direct negotiations with the Japanese auto industry, the U.S. Government will try to press Japan to make concessions.

The auto talks have been suspended since Washington invoked the 301 provision of the U.S. Trade Act (which outlines steps for retaliation against trade partners' unfair trade practices) on 1 October, 1994. However the governments of Japan and the United States announced on 3 January that they would resume the talks before the end of the month. After the announcement, International Trade and Industry Minister Ryutaro Hashimoto emphatically said: "We will not discuss issues (such as voluntary targets set by Japanese automakers for the procurement of foreign auto parts) which go beyond governmental control."

However, a senior U.S. Government official told ASAHI SHIMBUN: "It is possible for the U.S. Government to discuss the matter with the Japanese auto industry. Washington is not satisfied with the current voluntary targets set by each Japanese automaker. If government-level negotiations are impossible on this issue, we will discuss it with Japanese automakers and ask them to review their target figures to buy more foreign parts." His remark indicates that the U.S. Trade Representative and Commerce Department intend to promote talks with the Japan Automobile Manufacturers Association, Toyota Motor Corporation, and other Japanese automakers, in parallel with the talks between the two governments.

The same U.S. official also said: "Unless Japanese makers fully revise upward their procurement plans, an agreement between the two governments will be difficult." In this way, he suggested that improvements by Japanese automakers of their target figures would be a prerequisite for the agreement between the governments of the two countries.

Commenting on the U.S. plan to directly negotiate with Japanese automakers, the Ministry of International Trade and Industry said: "We will oppose it if the United States takes discriminatory or coercive measures against Japanese makers in the talks." However, the ministry plans not to oppose the direct talks themselves.

An official in charge of public relations at a major automaker said: "Auto makers have no good reason for refusing talks with the U.S. Government. They will have to comply with the U.S. request."

It is highly possible that Washington will ask Japanese makers to procure more foreign parts if direct talks are held. Nonetheless, the Japanese auto industry has maintained its conventional stand that "any promises for the future are impossible" because Japanese automakers have adopted a design-in system, in which parts makers participate in car production from the designing stage, and because the procurement of auto parts tends to be affected by the sales of new models.

MITI: Direct Talks 'No Problem'

*OW0901062095 Tokyo KYODO in English 0610 GMT
9 Jan 95*

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—The Ministry of International Trade and Industry (MITI) sees no problem with the U.S. Government talking directly with Japanese carmakers to expand auto parts exports to Japan, a senior MITI official said Monday [9 January].

"MITI does not regard such talks as a problem," Vice MITI Minister Tomio Tsutsumi told a press conference. "But the approach, if it leads to anything discriminatory and compulsory, would pose a question," said Tsutsumi.

Tsutsumi said the Japanese Government will tackle auto trade with the United States within the scope of "government reach," one of the four principles Tokyo has imposed as a condition for reopening the stalled auto talks. Japan and the U.S. are scheduled to resume auto trade talks, a pending issue under the "framework" negotiations, in late January.

A senior U.S. administration official recently said Washington plans to hold talks directly with Japanese automakers to promote their purchases of U.S.-made auto components. A Japanese auto industry leader has said the industry is ready to meet with U.S. officials only for an exchange of views but it has no intention of discussing parts procurement programs with them.

In 1992, Japanese carmakers unveiled programs which projected an increase in their combined procurement of U.S.-made parts to 19 billion dollars by the March end of fiscal 1994.

Tsutsumi said trade areas to be taken up during Wednesday's summit between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton are likely to focus on "cooperative fields" rather than "confrontational issues." Tsutsumi cited the global agenda, which includes such issues as aids and the environment, under the framework talks and bilateral cooperation toward the November meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka.

Murayama and Clinton will probably look for ways to build "multisided" bilateral relations under the context of the 50th anniversary of World War II, Tsutsumi said.

Keidanren Rejects Direct Talks

OW0901093595 Tokyo KYODO in English 0903 GMT 9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—The Japanese automobile industry should not accept a U.S. Government proposal to talk directly with the industry on bilateral auto trade, a top Japanese business leader indicated Monday [9 January].

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren) and chairman of Toyota Motor Corp., told reporters the proposed talks "would be abnormal" and the matter should be discussed in government-to-government negotiations.

Reports from Washington last week quoted a senior administration official as saying the U.S. Government plans to hold talks directly with Japanese automakers to promote sales of auto parts in Japan.

Auto trade has been a major issue in Japan-U.S. negotiations on a new framework for bilateral trade.

Automakers Reveal Stance

OW0701104395 Tokyo KYODO in English 1015 GMT 7 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 7 KYODO—The Japanese automobile industry shrugged off reports Saturday [7 January] that the U.S. Administration plans to talk directly with Japanese automakers to expand automotive parts exports to Japan. The matter should not be a subject for negotiations because import plans are drawn up voluntarily by individual makers, said a senior official of the Japan Automobile Manufacturers Association. The official, who declined to be named, said no official approach has been made by the United States so far.

Reports from Washington quoted a senior administration official as saying the U.S. Government plans to hold talks directly with Japanese automakers to promote sales of auto parts in Japan.

Automotive trade has been a major issue in Japan-U.S. negotiations for a new framework for bilateral trade.

The Japanese official said the industry is ready to meet with U.S. officials who will come to Tokyo only for an exchange of views but it has no intention of discussing procurement programs with them.

Japanese automakers, bowing to U.S. pressure, drew up voluntary auto parts purchase programs in 1992 which projected to boost their combined procurement of U.S.-made parts to 19 billion dollars by the end of March this year.

Industry sources said, however, that it seems to be difficult for the Japanese automakers to achieve the target in view of declining production resulting from sluggish auto sales.

The Japanese companies have launched efforts to work out new purchase programs starting April 1.

U.S. Apples Go on Sale for First Time

OW0901115695 Tokyo KYODO in English 1148 GMT 9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—Apples grown in the United States went on sale Monday [9 January] in Tokyo supermarkets for the first time in Japan, marking the beginning of the country's full-scale import of the fruit.

"Red Delicious" and "Golden Delicious" apples put on sale Monday evening in Tokyo were harvested in the state of Washington and are part of the first 450-ton shipment of U.S. apples that arrived in Tokyo Saturday morning. They underwent quarantine inspection earlier Monday.

In a Daiei supermarket store in Himonya, Meguro ward, 950 kilograms of the apples arrived at around 5 P.M. and were soon displayed for sale.

An 80-year-old housewife tasting samples said, "it tastes good. It tastes like apples in the old time." She bought 10.

The store prices medium-size apples at 78 yen each and large ones at 98 yen each, both about 20 to 30 percent cheaper than Japanese apples. As a special "trial price," however, the store is offering medium size apples for 50 yen each Monday and Tuesday.

The Washington Apple Commission, which represents apple growers in the state, plans to export 15,000 tons of apples, equivalent to 1 percent of the Japanese annual apple consumption, to Japan between January and March.

Article Previews Aviation Talks With U.S.

OW0801104895 Tokyo EKONOMISUTO in Japanese 3-10 Jan 95 pp 14-15

[Unattributed article: "Foreign Ministry Worries About Japan-U.S. Aviation Negotiations"]

[FBIS Translated Text] "The Foreign Ministry is saying silly things such as we should accede to all U.S. demands because the U.S.-Japan relationship is in trouble," said a senior Transportation Ministry official concerning U.S.-Japan aviation negotiations, which may reopen in the first part of 1995.

The last negotiations were held in the summer of 1993, and no contact has been made since. In mid-October 1994, the United States put out feelers on reopening the negotiations. As for the issue of opening a Japan Airlines' Sendai-Honolulu route, the United States changed its previous position of reserving approval to granting approval for the route. This had been a source of contention between the two countries.

In the background for the softening of the United States' attitude, there seemed to have been a nudge from American Airlines, Delta Airlines, and other U.S. carriers. These were airlines that did not have landing rights at Kansai International Airport and wanted the governments to negotiate on their behalf. But since the initial contact, there has been no formal proposal from the United States. Some feel that "the Clinton administration's foundation has been weakened. Therefore, the government is unable to persuade United Airlines, Northwest Airlines, and others that already have landing rights and want to prevent new participation by rivals," (according to an aviation industry source).

On the other hand, the Japanese side considers the current U.S.-Japan Aviation Agreement "to be an unfair agreement in which Japanese aviation companies are denied free entry," (according to a senior Transport Ministry official). The Japanese side is set to press hard for review of this agreement, and the pressure is mounting. It looks as though they will become complicated, just as the previous negotiations were. Those negotiations broke down because of conflicting opinions surrounding transport capacity and onward flight rights (rights to fly to a second country via the respective treaty partner country).

Okinawan's Desire for Return of Bases Viewed

*OW0701052495 Naha OKINAWA TIMES in Japanese
7 Jan 95 Morning Edition p 5*

[Editorial: "Seek To Resolve Problems Arising From U.S. Military Bases on Okinawa Through Scaling Them Back"]

[FBIS Translated Text] U.S. military bases on Okinawa, which have existed for 50 years under Japan-U.S. security arrangements, are the product of the Cold War. The Self-Defense Forces have based their military installations on Okinawa since Okinawa reverted to Japanese rule. Now, 50 years after the end of World War II, the coexistence and living together with the military bases still remains a basic issue for Okinawans.

This year, which marks the crucial 50th anniversary of the end of World War II, the Okinawa Prefectural

Government intends to seek visible progress in resolving the problems arising from the U.S. military bases on Okinawa. Governor Masahide Ota has met with Prime Minister Murayama and Foreign Minister Kono who are scheduled to visit the United States on 10 January to urge U.S. leaders to resolve those problems. The Okinawa Prefectural Government, which takes as important matters the return of Naha Military Port and Yomitan Auxiliary Airfield and the halt to live-fire exercises by U.S. forces in Okinawa across Prefectural Highway No. 104, has strongly appealed for an early solution of the three problems.

A special task force was established last summer under the Special Commission on Military Facilities of the Japan-U.S. Joint Committee to study specific ways to have Naha Military Port and Yomitan Auxiliary Airfield returned. The Governments of Japan and the United States have shown their willingness to work to resolve the problems, taking into account the fact that this year marks the 50th anniversary of the end of World War II.

Standing in the way of resolving various problems arising from the U.S. military bases on Okinawa has been the Japanese Government's diplomatic stance. The Japanese Government takes such a diplomatic stance because the Governments of Japan and the United States have held diplomatic negotiations on the premise of upholding Japan-U.S. security arrangements. In response to demands from Okinawans for a solution to the problems, the U.S. side has often said, "The solution of the problems is Japan's domestic issue." As seen in this attitude by the U.S. side, key lies in the Japanese Government's basic perception of the problems.

Meanwhile, Choko Takayama, director of the Policy Coordination Office in the Okinawa Prefectural Government, will visit the United States on 10 January to brief U.S. officials on the actual state of the problems arising from U.S. military bases on Okinawa and plead with them for resolution. He also will ask the U.S. Defense Department to reflect the actual situation of "military bases" on Okinawa in a total checkup report on U.S. military bases in Japan which will be submitted by the department to the U.S. Congress.

The report is submitted to the U.S. Congress under the Defense Expenditures Act for U.S. fiscal year 1995. The Pentagon is obliged to include in the report a reassessment of the Japan-U.S. Security Treaty, the ways of resolving problems arising from military exercises by U.S. forces in Japan, an examination of the size and deployment of U.S. military units in Japan, and the utilization of U.S. military installations with their impact on the economy and the environment taken into consideration.

Therefore, the Okinawa Prefectural Government hopes that the opinions of Okinawans will be reflected in the report and the U.S. Government will conduct on-the-site surveys. Minister Deming at the U.S. Embassy in Tokyo has disclosed that nothing is known about how the report

is compiled, and the U.S. Embassy has received no instruction from the Pentagon.

The Pentagon will submit the report to U.S. Congress by 1 March this year. There is a danger of the report becoming a "desk report" because the Pentagon compiles the report on the basis of opinions filed by each U.S. military base in Japan. Coordinator Takayama plans to plead with key members of military committees of both houses on Capital Hill to take concrete measures to resolve those problems arising from U.S. military bases on Okinawa. But, this represents a major setback from the Okinawa Prefectural Government's original expectations.

The disarmament is a new starting point for another post-war 50 years following the collapse of the Cold War structure. The military base problems can only be resolved through disarmament. Will a change occur in the diplomacy of the prime minister who is from the Social Democratic Party of Japan?

UNSC Seat, U.S.-Japan Friction Issues Polled

OW0801084395 Tokyo KYODO in English 0806 GMT 8 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 8 KYODO—In a poll on Japanese diplomacy, 56 percent of those who gave valid responses said they want Japan to become a permanent member of the United Nations Security Council [UNSC], the prime minister's office said Sunday [8 January].

Despite the majority support for the idea, the annual survey still showed a large minority, 25.3 percent, whose response to the issue was "don't know."

The survey of 3,000 men and women over the age of 20 throughout Japan was conducted in October just after Foreign Minister Yohei Kono addressed the UN the previous month and announced Japan's desire to take a permanent seat on the council.

Of those surveyed, 68.7 percent gave valid responses.

The 56 percent support rate was made up of 18.7 percent who gave unconditional support to the idea and 37.3 percent who said that "if asked, they would give their support."

Among the supporters, 31.1 percent said that as a nonnuclear country, Japan could contribute to world peace.

Also out of the supporters, 26.8 percent said Japan should have a council seat because it is an economic power, and 23.1 percent said it should have a seat because of its financial contributions to the world body.

Opponents of Japan having a permanent seat on the Security Council totaled 18 percent of the respondents.

Of the opponents, 31 percent felt membership would oblige Japan to take part in military activities. Others

expressed concern it would lead to Japan having to shoulder a greater financial burden for the U.N.

Asked whether they support Japan's participation in UN peacekeeping operations, 43.4 percent, said they are happy with the present level of participation.

A smaller 15.5 percent said Japan should participate more actively, 25 percent said they support participation, but at a lower level, and 8.6 percent opposed any form of participation.

In the same survey, 23.5 percent said they do not feel "an affinity" with the United States. This was 3 percentage points higher than the previous year's figure.

Those who said they do feel an affinity with the U.S. totaled 73.6 percent, or down 2.7 percentage points.

Asked about trade friction with the U.S., 43.1 percent—the highest figure yet—said the U.S. is responding "in an emotional way."

Tokyo To Ask For U.S. Help With APEC Meeting

OW0701113795 Tokyo MAINICHI SHIMBUN in Japanese 7 Jan 95 Morning Edition p 9

[FBIS Translated Text] It seems that policies toward Asia and the promotion of deregulation in Japan will be the main topics of discussions in the economic field at a Japan-U.S. summit meeting scheduled to be held in Washington on 11 January between Prime Minister Tomiichi Murayama and U.S. President Bill Clinton. According to information from government and U.S. diplomatic sources disclosed on 6 January, Japan will ask for U.S. cooperation for a successful conclusion of the Asia-Pacific Economic Cooperation Conference (APEC), which will be held in Osaka in November, and the United States will express its hope for Japan to exert efforts in playing the role of "coordinator." It is likely that the summit meeting will be a venue where both countries will confirm their view of attaching importance to policies toward Asia.

In preparation for the APEC in Osaka, Japan will map out an action plan, designed to give shape to the Bogor declaration, whose goals are to liberalize trade and investment in industrialized and developing countries by 2010 and 2020, respectively. At the summit meeting, the prime minister, as a leader of the APEC host nation, plans to call on the United States for all-out cooperation.

The U.S. Government is also highly interested in APEC. By solidifying plans to liberalize trade and investment at the Osaka conference, the Clinton administration, which was defeated in the off-year election last year, wants to "score some points," (according to a U.S. diplomatic source). Some people in the United States are expressing strong views, saying: "We understand that there are differences in the stances of the United States and Asian countries. We hope that Japan will play an intermediary role between us and Asia."

On the other hand, the United States is carefully watching to see what will become of a five-year plan, which Japan plans to map out by the end of March, for the promotion of deregulation. The United States, which believes that deregulation will be linked to market liberalization and expansion of Japan's domestic demands, is increasingly becoming irritated again because its trade deficit with Japan reached 6.6 billion dollars, the highest in the past, in October last year. Therefore, it is inevitable that the United States will strengthen its call for the "further promotion" of deregulation.

Moreover, Prime Minister Murayama and President Clinton will confirm efforts that both countries have made for an early conclusion of the unsettled negotiations in the field of automobiles and auto parts at Japan-U.S. economic framework talks.

In addition, it seems that among other things, both leaders will also discuss population, AIDS, environmental, and drug issues on the basis of the (common agenda), which is one of themes at the framework talks, for "Japan-U.S. cooperation in dealing with global issues."

It is said that "there is no major economic problem between Japan and the United States," (according to the Ministry of Foreign Affairs). However, it seems that Prime Minister Murayama's leadership will be tested because Japan is facing difficulties in reviewing government regulations.

Kozyrev's Planned Visit Facing Difficulties

OW0601125495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Jan 95 Morning Edition p 2

[FBIS Translated Text] A top official of the Ministry of Foreign Affairs [MOFA] on the evening of 5 January commented on Russian Foreign Minister Andrey Kozyrev's planned Japan visit in January. He said: "We have not given up hope, though we are still waiting for Russia's response regarding a schedule for his visit." However, he also said: "But from an objective viewpoint, it is now difficult to materialize the visit." He then continued: "We may have to review our handling of Japan-Russia relations to some extent." In this way, the official noted the need to refine Japan's current diplomatic strategy, which aims at settling the northern territory and other Russia-related issues by launching various plans to support this nation.

The official also disclosed that Japan has been making contact with the DPRK (North Korea) to resume bilateral normalization talks since last summer.

*** Diplomacy Failure in Territories Issue Viewed**

952B0074A Tokyo SHUKAN BUNSHUN in Japanese 8 Dec 94 pp 34-37

[Article by Akira Kato, journalist]

[FBIS Translated Text]

Russian First Deputy Chairman Soskovets Visits Japan; No Give on Northern Territories, All Take on Loans

Even though it has thrown away ideology and has made the country small, the "Northern Bear" is still going strong with respect to diplomacy. It was thought that the visit after Yeltsin of a big-shot politician would advance the northern territories issue, but on the contrary he only shrewdly took Japanese aid. To put it in plainly, this is "all take and no give."

"We will not discuss the northern territories issue."

These were the first words of Soskovets, the First Deputy Chairman of the Russian Republic, at the talks with Minister of Foreign Affairs Yohei Kono on 27 November.

Since we were receiving a big-shot Russian politician a long time after President Yeltsin's visit to Japan last October, we expected the northern territories issue would be advanced, but again it was dodged.

Actually, Soskovets was given a strict warning by Yeltsin at a meeting before he left the country that, "during this visit, you should limit the theme to the issue of economic aid from the Japanese side to the Russian side, and no matter how persistent the Japanese Government and the Ministry of Foreign Affairs are, never put the northern territories issue on the table for discussion."

Soskovets himself also said just before his visit to Japan this time, "If Japan will not do anything for Russia, why is the Japanese side inviting me? If the Japanese side does not soften the stubborn attitude (about the northern territories issue), why do we have to go through the trouble of visiting."

This was said at "the Preparation Conference for First Deputy Chairman Soskovets' Visit to Japan" on 28 October 28 at the special conference room for the first deputy chairman on the fourth floor of the White House in Moscow, which was held for two hours from 1500 in the afternoon.

I obtained through news-gathering in Moscow the stenographic record and memos of this conference in which key ministers of the cabinet gathered and discussed the strategy for the visit to Japan. The real intention of the Kremlin can be seen by looking at the contents recorded there of what was said by the Russian leadership.

Our Ministry of Foreign Affairs praises itself about this visit of Soskovets, saying that "this is an epoch-making visit to break the cold relationship between Russia and Japan." But by looking at this stenographic record, you can see that the purpose of this visit was to draw loans from Japan, and it could be foreseen clearly from the beginning that the Ministry of Foreign Affairs' earnest prayer to "advance the northern territories issue" would end in a mere gesture.

Including these, from several secret government documents I would like to make clear the hidden purpose of Soskovets' visit to Japan.

The Reason That Talks Became Courteous

Even though his name is not familiar in Japan, First Deputy Chairman Soskovets has filled posts successively such as Soviet minister for metallurgy and concurrently first deputy chairman of the Kazakh Soviet Socialist Republic and minister of industry, and is widely known as an expert in economics. After becoming the metallurgy chairman of the Russian Federation in October 1992, he has held his current position since last April. With the military-industrial complex as a backbone, he is a big shot in the so-called "parliamentary group." "He is a coercive, dictatorial-type person and many people are saying he will be the next chairman. On the surface he gets along well with the present chairman, Chernomyrdin, but to tell the truth, they are in the middle of a power struggle. But on the other hand the relationship with Yeltsin and people around him is good" (Russian journalist).

At the preparation conference mentioned before, when the Deputy Minister of Foreign Affairs mentioned the northern territories issue, there was a blunt response as follows.

[Soskovets] "I am not planning to talk about this issue. For the time being it can be discussed at the level of the minister of foreign affairs of both countries."

It is quite obvious that the Russian side was planning to kick away the territories issue from the beginning.

On the other hand, Deputy Minister of Fuel and Energy Shatalov said with respect to the issue of Sakhalin oil development, which is a matter of primary concern, as follows: "We have finished technological and economic evaluation of the 'Sakhalin-1' project.... It will be fortunate if an agreement on Japanese entry into the 'Sakhalin-1' project can be signed during the visit to Japan."

"Sakhalin-1" is an oil field development project in the continental shelf off the coast of Sakhalin, and 1 and 2 are numbers for the field sections. It has been advanced centering on the Japanese Ministry of International Trade and Industry, the Japan Petroleum Development Corporation, and trading companies such as Itochu.

The development of "Sakhalin-1" has been carried out by the semi-government semi-private Sodeco (Sakhalin Oil Development Corporation), most of whose stock is owned by Japanese enterprises. However, since its establishment in 1974, there has been a loss which is said to amount to 50-60 billion yen, and it is becoming a problem headache for the Japanese Ministry of International Trade and Industry which is playing the role of flagman. Under one theory there is a rumor of "a midair disintegration."

On the other hand, "Sakhalin-2" is a new field section started four or five years after "Sakhalin-1", which is promoted by the private allied forces "4M+S" consisting of Mitsubishi Corporation, Marathon (U.S.), MacDermott (U.S.), Royal Dutch Shell (England, Netherlands),

and Mitsui & Co., Ltd., as the leader. The official contract with the Russian Government was already signed this June and the enterprise was started. There is a close relationship between these Sakhalin oil field concessions and Soskovets' visit to Japan. "The basic diplomatic strategy of the Russian side is to draw as much aid as possible from Japan using oil development as a dummy, and the real intention is that, "if money cannot be drawn, there is no need to go to Japan" (interested Russian government source).

To put it the other way around, only because Soskovets knew he could draw money from Japan did he come to Japan.

As a result, both Japan and Russia have shown a complete difference in their thoughts towards Soskovets' visit to Japan. The Japanese Ministry of Foreign Affairs wants to find the beginning of a solution to the northern territories issue, and the Russian Government wants to get aid apart from the northern territories issue. Behind this is an enormous struggle within the Russian side centering on concessions in the oil fields off the coast of Sakhalin.

In the first place, it is said that Soskovets' visit to Japan this time was realized because of the persistent invitation of the Japanese Ministry of Foreign Affairs.

"The Ministry of Foreign Affairs wants to make Soskovets come to Japan by any means and advance the northern territories issue. In order to do this, Ambassador Watanabe has frequently contacted Soskovets since around August of this year. The Ministry of Foreign Affairs invited Soskovets coercively by offering the bait that Japan would finance the Russian enterprises privatization plan and economic reconstruction" (interested Russian source).

There is a story that, at the discussions with Soskovets, Ambassador Watanabe brought up the issue saying, "During your visit to Japan, even if it is not official, we would like to negotiate on the northern territories issue. If you accept this suggestion, I will promise to set up talks with Prime Minister Murayama and Deputy Prime Minister and Minister of Foreign Affairs Kono." This angered government leaders such as Soskovets.

From Soskovets' view, "it is natural to set up a conference with the leaders of the Government of Japan if they invited me, the first deputy chairman. You are planning to make such a thing a condition for trading on the northern territories issue?" "Since the Japanese side persistently stuck to the northern territories issue, the Russian Embassy in Japan in the beginning reported home that Soskovets' visit to Japan should be postponed. So in the end the talks with Minister of Foreign Affairs Kono which had been set became only a matter of courtesy" (interested Russian side source).

The interesting thing is that it was August 1994 when Ambassador Watanabe started "a pilgrimage to Soskovets."

About the same time, the economic mission led by Mitsui & Co. President Naohiko Kumagaya visited Moscow. They were invited into a special guest room on the fifth floor of the White House. This is commonly called the "Chernomyrdin floor" and it is a place to hold parties when chief of state level VIP's are invited. I was told that, even though he is a president of the trading company that represents Japan, it was "an exception among exceptions" for President Kumagaya to be invited there (interested Russian source).

The attendees from the Russian side, besides First Deputy Chairman Soskovets, were each of the Deputy Minister class from such Ministries as the Ministry of Foreign Affairs, the Ministry of Finance, and the Ministry of Foreign Economic Relations. Besides these people, the top executives from LUKoil and Gazprom, which are Russia's largest oil development companies.

Including the reception, the meeting lasted about two hours, and it is surprising that during this time the Mitsui side suggested its intention to make an enormous investment amounting up to a total of \$1.2 billion.

"The Russian side was very delighted. It places high value on Mitsui's positive attitude, and when this investment is realized, it intends to give Mitsui the guarantee of the government and the National Assembly" (Russian journalist).

"Sakhalin-2" a Promising Oil Field

Actually, President Kumagaya's real intention was elsewhere. Mitsui & Co. brought up the issue of "Sakhalin-2" at this conference.

[Kumagaya] "If you are saying your government will guarantee our investment plan, then I would like you to upgrade the 'Sakhalin-2' project which our company signed on the other day to a national project. In other words, I want Chairman Chernomyrdin's 'ink' [signature] and guarantee measures by parliamentary resolution for this plan."

[Soskovets] "We will review this. But there is a condition. Mitsui & Co. is to cooperate positively with the privatization plan for our country's munitions industry and oil industry and to invest in them. This is the trading condition."

Mitsui & Co. completely denies this fact, but my investigation finds it is certain that such an exchange took place between the sides. It is reasonable for Mitsui & Co. to think it wants to obtain the Russian Government's guarantee on the "Sakhalin-2" project by any means, since it once suffered a great loss from the Iranian IJPC [Iran-Japan Petrochemical Co.] problem. There was not any more progress at the talks, but later the request from Mitsui & Co. was accepted.

Another thing we cannot overlook is that it was Ambassador Watanabe who set up these talks. In other words, the Ministry of Foreign Affairs acted as a cat's-paw for a

private enterprise and set up the meeting. Taking this as a good opportunity, Ambassador Watanabe started visiting Soskovets more often.

Also, the point that President Kumagaya requested the upgrading of "Sakhalin-2" to a national project is very interesting in another meaning as well.

Actually Ichiro Ozawa (then chairman of Shinseito [Japan Renewal Party]) made exactly the same request to then Minister of Economics Shokhin, when he was secretly in Moscow this May on what was called a private trip. ("Scoop, Ichiro Ozawa's Secret Diplomacy in Moscow," 30 June issue of this magazine.)

In other words, it could be a correct guess that Ozawa went to Moscow, upon learning of Mitsui & Co.'s intention, and was lobbying there. If so, it can be said that the government, bureaucracy, and business got together hand in hand and tackled this "Sakhalin-2" project.

Be that as it may, why did Mitsui & Co. plan to upgrade it to a national project?

"The total cost for the "Sakhalin-2" project probably amounts to more than \$10 billion. But according to our estimates, it will start producing in 2001 and if everything goes well, the amount invested will be recovered in four or five years, and this is a promising oil field which brings nothing but profit for 20 years after that" (interested Russian Government source).

According to these estimates, the oil development cost realized for this project is only \$6 or \$7 per barrel. If this is sold at the current market price, it indeed brings a profit of \$12.

"There is no way that Russia can overlook such a good deal; it is planning to levy an export tax of \$3 to \$5 per barrel. But Mitsui & Co., since it has invested an enormous amount, wants an agreement which approves an exemption somehow from the export tax until recovery of the amount invested in the development. Furthermore, Mitsui wanted Chernomyrdin's signature for this agreement, in other words, a government-level guarantee, not a signature by an executive of the Ministry of Fuel and Energy, whose head might be cut off at any time" (interested Russian Government source).

In fact, former Vice President Rutskoy answered my question with the disturbing words, "If I become president, I will cancel projects such as Sakhalin-2."

Big Drop in Ichiro Ozawa's Rating

A scholar of Russian diplomacy explains the picture.

"The most important objective of Soskovets' visit was to draw as much loans as possible from the Japanese side, using development concessions for the undeveloped field section 'Sakhalin-4' as material, and to curry favor with enterprises on which he has influence.

"There is a keen struggle for Japanese loans even among leaders of the Kremlin, such as Chairman Chernomyrdin, who represents the oil industry, and Soskovets, who is a spokesman for the military-industrial complex. Anyway, they only think about gaining concessions by allotting the loans to industries and enterprises over which they have influence."

In this agreement between Japan and Russia for economic aid, it was actually decided to assist in such things as the renewal of the oil refinery in Yaroslavl, repair of the Azlk automobile factory production line, and reconstruction of the Kamaz engine plant, in the total amount of more than \$500 million, by expanding the framework of loans. Also, the application of trade insurance to the export of material and machinery (totaling \$700 million) to the Tyumen oil field development company "LUKoil," necessary for an increase in oil production, is under study.

In the first place, such cases were what Mitsui & Co. President Kumagaya proposed to Soskovets in August, and they became concrete plans as proposed and were demanded of the Japanese Government by the Russian side. Then, I wonder if this aid is not a "race to see who can get what" between Mitsui & Co. and the Russian Government.

In addition, it is astonishing that the loans related to concessions by these particular enterprises are taking place even by diverting "humanitarian aid" which was prepared under a different framework.

Furthermore, what should be paid attention is that the influence of Ichiro Ozawa, who during the Hata administration even used to be called a "grey cardinal" by the Russian side, is all gone. "Why does he have to meet a leader of an opposition party?" (interested Russian Government source). The Russian side's opinion of Ozawa has taken a great fall like the ruble. The "Ozawa myth" in Moscow has collapsed.

Russia prepared another clever trick this time. They brought up the problem of safe operations in the seas around the northern territories, which became focused by the Russian border guards shooting incident.

"From now on, Japan and Russia will discuss permitting Japanese fishing boats to operate in the seas around the northern territories, which has been prohibited until now, and the issue of taxing Japanese fishing boats. However, this measure is only a political technique to make Japan admit that the four northern islands belong to Russia" (previously mentioned interested Russian Government source).

After all, even though Soskovets' visit to Japan was accomplished by the ambassador to Russia asking a favor on his knees, in fact, Japan was only made to accept economic demands in a huge amount from the Russian side, and the important territories issue was not even taken into account.

Even though it is as usual, we cannot even bear to look at this shabby state of Japanese diplomacy.

'Major Diplomatic Events' in 1995 Reported

OW0501030095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Jan 95 Morning Edition p 2

[FBIS Translated Text] A schedule for Japan's major diplomatic events in 1995, the 50th anniversary of the end of World War II, has been laid out. Most important is a nonofficial summit talks of the Asia Pacific Economic Cooperation Conference [APEC] to be held in Osaka in November. Leading foreign figures from 15 countries, including U.S. President Bill Clinton and Chinese President Jiang Zemin, will visit Japan for this forum.

On the other hand, Prime Minister Tomiichi Murayama, together with Foreign Minister Yohei Kono, is scheduled to attend the Japan-U.S. summit talks set for 11 January. He is also considering visiting China as early as May. Through diplomacy at these summit meetings, Japan intends to reconfirm its cooperative ties with the Asia-Pacific region to solve various postwar-related issues. But, since China and South Korea are still dissatisfied with Japan's handling of postwar issues such as reparation to comfort women, Japan's Asian diplomacy may face difficult situations in the future.

The Ministry of Foreign Affairs analyzes 1995 as "the year every nation will look back on World War II for better or for worse" (stated by a top official). Therefore, it emphasizes that maximum consideration must be given to Japan's relations with the Asia-Pacific region. The government will reiterate its "determination to establish future-oriented relations by taking an advantage of the 50th anniversary of the war's end" on various occasions like the prime minister's visits to the United States and China. Foreign Minister Yohei Kono says: "We should search our souls on the past war and tackle postwar-related issues as our responsibility." Japan will restate this at next summit of the industrialized nations (Halifax summit) in June and a UN General Assembly meeting to be held in New York this fall.

President Clinton's official visit to Japan as a state guest scheduled in November will be the first such visit since the 1992 visit by former U.S. President George Bush. Both Egyptian President Muhammad Mubarak and South African President Nelson Mandela are also expected to come to Tokyo as state guests. In addition, Ukrainian President Leonid Kuchma and Vietnamese Communist Party Secretary General Do Muoi are planing to pay their own visits to Japan.

Murayama Vows To Tackle Economic Reforms

OW0501093495 Tokyo KYODO in English 0913 GMT 5 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 5 KYODO—Prime Minister Tomiichi Murayama said Thursday [5 January]

he is determined to tackle economic reforms in a decisive manner to secure employment and prevent a hollowing out of industry.

"It is difficult to meet these challenges with temporary measures to pave the way for a bright future, so there is no way but to tackle directly socioeconomic structural problems," Murayama said in an address to a New Year's party held by Japan's four major business groups.

Murayama said at his first press conference this year that he will ask his advisory panel on economic matters to draft a new medium- and long-term economic plan prior to the 21st century.

Turning to the economic outlook, Murayama said there is an "encouraging trend" in economic recovery, though it is slow.

Government Urged To Deregulate Economy

OW0501130695 Tokyo KYODO in English 1048 GMT 5 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 5 KYODO—The heads of Japan's four major business groups urged the government of Prime Minister Tomiichi Murayama on Thursday [5 January] to work hard toward promoting economic deregulation so as to activate the economy.

"Deregulation is of importance to have a society and economy with vigor and creativity, and this year is the year for action," said Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), at a joint press conference with three other top businessmen.

Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai), criticized the government for doing nothing to dismantle and relax regulations.

The government "contents itself with political stability for the time being and an economic recovery, so no progress has been made in abolition and relaxation of regulations," Hayami told the press conference.

The two other business leaders are Kosaku Inaba, head of the Japan Chamber of Commerce and Industry, and Takeshi Nagano, chief of the Japan Federation of Employers' Associations (Nikkeiren).

The four business leaders were divided over the timing of a general election under the new election system that took effect last month, with Hayami and Nagano calling for an early election but Inaba and Toyoda disagreeing.

Inaba said an election for the House of Representatives should be called about a year from now.

While acknowledging the need to hold a general election under the new system, Toyoda noted that it should not be called before summer in view of the July election for the House of Councillors and local elections before then.

The four businessmen agreed that the economy is recovering gradually but cautioned against being optimistic about the economic outlook.

"Unless corporate capital spending increases, it could not be called a real recovery," Nagano said.

Toyoda said the economy will be recovering "not at a rapid tempo but at a gradual pace."

Inaba said it would take about a year to see a real economic recovery.

In other remarks at the press conference, Nagano stressed the need for no wage hikes in this year's spring wage negotiations, excluding regular pay scale-based hikes, so as to avoid seeing a wage-price spiral.

As head of Nikkeiren, Nagano's remarks have much influence on the annual spring labor offensive.

Iida, Toyoda on Administrative Reform Plans

OW0901042995 Tokyo KYODO in English 0417 GMT 9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—The head of a government task force on administrative reform told the chairman of the Federation of Economic Organizations (Keidanren) on Monday [9 January] that it will set priorities in its long-range plan for administrative reform and deregulation.

Yotaro Iida, chairman of the administrative reform committee, said, "for promoting administrative reform and deregulation, we hope to start with what we can do right away. Our accomplishments depend on how we set our priorities." Iida made the comments during a meeting with Keidanren chief Shoichiro Toyoda at a Tokyo hotel.

Toyoda responded by saying he hopes the government's five-year deregulation plan, to be worked out by the end of March, will be substantial and practical. Toyoda, also chairman of Toyota Motor Corp., added the government moves should reflect a report to be made by a deregulation examining panel which will monitor the private sector.

Tokyo To Strengthen Crisis Management System

OW0901053195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Jan 95 Morning Edition p 2

[FBIS Translated Text] The government will strengthen the crisis management system of the Prime Minister's Office to be better prepared for international conflicts and contingencies—such as a sudden change in the situation on the Korean peninsula.

Specifically, the key points are: 1) To reorganize the Security Council [anzen hoshō kaigi], adding the transport minister and justice minister to its membership; and within the council, to create a sub-council composed of a limited number of ministers such as the foreign

minister and Defense Agency [DA] director-general. 2) To elevate the "Joint Information Conference" [kodo joho kaigi], an informal panel for discussion of defense-related issues, to a formal government organ.

On 8 January, Tatsufumi Tsuboi, director of the Cabinet Security Affairs Office, will depart on a tour of the British Defense Ministry, the French Foreign Ministry, and the Austrian Prime Minister's Office, to learn about crisis management systems in European countries. Upon his return, he will initiate the work of revising the Law on Establishment of the Security Council. A draft bill may be submitted to the next ordinary session of the Diet.

At the time of the Gulf War in 1991, when Toshiki Kaifu was prime minister, the Prime Minister's Office experienced problems in coming up with effective measures promptly. With this experience and the situation on the Korean peninsula as a backdrop, the idea of strengthening and expanding the crisis management system has emerged from within the government. The Security Council, which is the central body of the cabinet's crisis management system, was created in 1986 at the time of the Nakasone cabinet. The council, headed by the prime minister, is now composed of the foreign minister, finance minister, chief cabinet secretary, National Public Safety Commission chairman (home minister), DA director-general, and Economic Planning Agency director-general. However, as the council's roles are now limited to doing only such things as approving the defense budget, the government has decided it should be turned into a body with functions for overall decision-making, adding the transport minister and justice minister as members.

On the other hand, a sub-council will be set up within the council in order to help facilitate its overall operation. Thus, in an emergency situation, such as the break out of an international conflict or hijacking incident, a small number of cabinet members like the foreign minister and DA chief will be allowed to take actions in a speedy manner.

The Joint Information Conference, headed by the deputy chief cabinet secretary (for administration), is currently an unofficial body composed of the director-general of the Foreign Ministry's Intelligence and Analysis Bureau, director of the DA's Defense Policy Bureau, director of the National Policy Agency Security Bureau, director of the Cabinet Information Research Office, director of the Cabinet Security Affairs Office, and deputy director-general of the Public Security Investigation Agency. The elevation of the conference's status to an official government organization is aimed at securing the necessary budget and staff members, and thus strengthening its functions of information analysis.

In September, the government sent Information Research Office Director Omori, who handles administrative matters for the Joint Information Conference, to visit the Central Intelligence Agency (CIA) to learn about

how information is collected and analyzed, and how an information collection organization should be structured. The legal process of elevating the body to an official one will be done by the cabinet approving a revision of the Government Ordinance on Organization of the Cabinet Secretariat; a law will not be revised as in the case of the Security Council.

The Joint Information Conference was activated in 1986 by the Nakasone cabinet. The conference has since met once a month to discuss mostly security- and defense-related issues in closed sessions. With the meetings taking the form of "intra-government studies," the contents of discussions have not been made public. But the role of the conference has become more conspicuous since the question of possible DPRK nuclear-arms development programs was raised, and the need to strengthen its functions has been pointed out.

Government Plans Reform of Cabinet Secretariat

OW0601113095 Tokyo SANKEI SHIMBUN in
Japanese 3 Jan 95 Morning Edition p 1

[FBIS Translated Text] With the aim of strengthening the Cabinet Secretariat's comprehensive coordination function, the government has begun studying a plan to revise the Cabinet Act so as to increase the number of deputy chief cabinet secretaries from one to three. This was disclosed by several officials from the government and the ruling parties on 2 January. The government has also planned to regularly hold a "meeting of leaders of the Cabinet Secretariat." Participants of this meeting, which will be created in the near future, will be the prime minister, the chief cabinet secretary, the three deputy chief cabinet secretaries, and advisers to the prime minister.

The government has studied a plan to strengthen the cabinet secretariat's functions. However, Prime Minister Tomiichi Murayama and Chief Cabinet Secretary Kozo Igarashi take the view that this plan is greatly influenced by bureaucrats, and that it is necessary to form a politician-led system. Such concerns are behind the idea of increasing the number of the deputy chief cabinet secretaries.

Nobuo Ishihara, deputy chief cabinet secretary, has expressed the view that the cabinet secretariat's policy coordination function should be bolstered to smoothly handle political issues which concern several ministries and agencies, such as the Japan-U.S. economic framework talks. Since last August, he has been studying a plan to upgrade the status of the heads of the three cabinet offices—the Cabinet Councilor's Office, the Cabinet Councilor's Office on External Affairs, the Cabinet Security Affairs Office—from the current ministry bureau chief-level posts to ones at the level of administrative vice minister.

However, Igarashi has been concerned over the possibility that upgrading those posts would only contribute

to strengthening the power of bureaucrats. At a news conference on 21 December, he completely retracted the Ishihara-proposed concept, saying: "I would like to take back the plan to promote the status of the three cabinet body chiefs. I will prepare a new plan on the overall buildup of the cabinet's function next year."

Thus, the new plan to strengthen the cabinet's function has surfaced to secure the politicians' leadership over the bureaucrats. The Article 14 of the Cabinet Act stipulates that "two deputy chief cabinet secretaries are assigned to the Cabinet Secretariat." One of them is the administrative deputy chief cabinet secretary, who is the top-level bureaucrat; and the other is the parliamentary deputy chief cabinet secretary, who is in charge of liaison among the cabinet, the Diet, and the ruling parties. However, a government source said: "Actually, the parliamentary deputy chief cabinet secretary is too busy to conduct the general coordination tasks. There is no other way but to leave the handling of such tasks to bureaucrats."

According to the draft buildup plan, the wording of the Cabinet Act that "the two deputy chief cabinet secretaries are assigned to the Cabinet" will be replaced with the expression "several deputy chief cabinet secretaries are assigned" so as to increase the number of parliamentary deputy chief cabinet secretaries to three. One of them will assist the chief cabinet secretary as the first deputy chief cabinet secretary; another will be in charge of the Diet affairs; and the other will be in charge of policy coordination. At the same time, the post of advisers to the prime minister will be newly formed. Also, a "meeting of leaders of the Cabinet Secretariat" will be regularly held twice a week to make comprehensive political decisions on the Diet, internal affairs, and the foreign policy.

However, some officials of the government and the ruling parties have taken a negative stance. For example, a government source said, "It is ineffective to increase the number of parliamentary deputy chief cabinet secretaries, and moreover, it is meaningless to merely increase the number of posts." A senior official from the Liberal Democratic Party said, "It is not good to strengthen only the power of parliamentary members of the Cabinet Secretariat." Whether this plan will be realized still remains uncertain.

Defense Agency To Revise Defense Outline

OW0601114395 Tokyo YOMIURI SHIMBUN in Japanese 31 Dec 94 Morning Edition p 1

[FBIS Translated Text] On 30 December, the Japan Defense Agency [JDA] decided on its basic policies toward revising the National Defense Program Outline, which is a guideline for improving Japan's defense capability. The basic policies are: 1) The level of defense capability, which is defined as capability of "dealing with a limited and small-scale invasion" in the existing Outline, should be revised into the "fundamental defense capability of dealing with a variety of potential

dangers"; and 2) unlike the current Outline as a permanent defense strategy, the new Outline should be a mid-term policy which will be effective for about 10 years. Considering the end of the West-East Cold War, the JDA plans to downgrade the target of its defense capability improvement from the current "aggression" to "danger," while maintaining the current Outline's "idea of fundamental defense capability." The new Outline will also aim at coping with changes in the international situation now that it has become difficult to predict such changes from the standpoint of a long range perspective. The JDA intends to work out a draft of the new Outline by the end of fiscal 1994, planning to obtain government approval before the fiscal 1996 budget compilation at the end of 1995.

Between fiscal 1958 and fiscal 1976, Japan formulated a series of four defense buildup programs (called the first to fourth defense buildup program). In October 1976, the "National Defense Program Outline" was formulated as a permanent guideline for improving defense capabilities. Beginning from fiscal 1986, the JDA has formulated five-year mid-term defense buildup programs, in addition to the Outline.

Fiscal 1995 will mark the final year of the mid-term defense buildup program, which started in fiscal 1991, while nearly 20 years have passed since the Outline was formulated. Therefore, the JDA has started work on reviewing the Outline and studying how the defense capability ought to deal with the new international situation.

In analyzing the military situation surrounding Japan, a report issued by the Defense Policy Council, a private advisory panel to the prime minister, in August 1994 stated: "There is far less possibility of direct, large-scale military aggression against Japan than assumed in the past."

The report also stated that the level of defense capability Japan should possess at the present is the capability of "coping with (potential) dangers adequately and promptly in case these dangers are actualized." Among the assumed dangers cited in the report are disturbance of safety in marine transport, violation of Japan's airspace, and limited missile attacks.

In arguments at the JDA, many officials share this thinking. Based on this perception, the JDA has decided not to use the word "aggression" but the word "dangers" in revising the Outline.

Now that the former Soviet Union, which was virtually regarded as an enemy due to such factors as "possession of potential capability for launching aggression," has collapsed, there is a view that "the question is, from which country does Japan assume aggression will arise?" (as stated by a JDA source).

Moreover, the JDA intends to endorse the armament reduction policy, including a cutback in the number of

Self-Defense Forces officials, by downgrading the assumed target of defense capability improvement.

The decision to set the term of the Outline at 10 years is based on the belief that "under the current drastically changing international situation, 10 years is the limit of prediction," (as stated by the JDA source).

Regarding how to proceed with various plans under the new Outline, the most probable idea is to formulate a five-year program like the current mid-term defense buildup program under the new Outline.

In the past process of shifting to the current Outline from the third and fourth defense buildup programs, the JDA revised the goal of the defense capability level. Although the JDA originally defined the capability of "dealing with an invasion under the level of limited warfare by conventional weapons," it later changed to the capability of "dealing with a limited and small-scale invasion." The JDA's decision not to use the words "limited warfare" at that time was a reaction to detente moves between the United States and the former Soviet Union, which were noted temporarily in those days.

Murayama Makes Visit to Ise Shrine 7 Jan

OW0701095095 Tokyo KYODO in English 0900 GMT 7 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 7 KYODO—Prime Minister Tomiichi Murayama, accompanied by his two grandchildren, visited a Tokyo Shinto shrine on Saturday [7 January] to pray for world peace and Japanese prosperity.

Murayama made the visit to the Meiji Shrine to make up for his Jan. 4 cancellation due to fever of a planned visit to the Ise Jingu Shrines, a Shinto sanctuary in Ise, Mie Prefecture, central Japan, his aides said.

"I prayed for improvement in the nation's living standards as well as for peace and stability in the international community," Murayama told reporters after being driven back from the shrine.

Political commentators said his visit appeared to be designed to dissipate speculation over his allegedly failing health, in addition to simply seeking a change of air.

While in the Shrine's spacious precincts in Tokyo's Shibuya Ward, Murayama threw a 1,000-yen note into the offertory box at the front of the main shrine and put his hands together in prayer.

The visit lasted only four minutes and the prime minister was less talkative than usual, although he chatted to some other visitors there.

Upon his return to his official residence, he was given background briefings by Foreign Minister Yohei Kono

and other senior Foreign Ministry officials in preparation for a summit meeting with U.S. President Bill Clinton in Washington next Wednesday, they said.

Murayama's Effort To Keep SDPJ Intact Analyzed

OW0901040295 Tokyo ASAHI SHIMBUN in Japanese 7 Jan 95 Morning Edition p 2

[FBIS Translated Text] Prime Minister Tomiichi Murayama (chairman of the Social Democratic Party of Japan [SDPJ]) is being forced to do all he can to avoid a split in the party because of the establishment of a new party preparatory committee by Sadao Yamahana, chairman of a party faction called the "New Democratic League" [NDL]. Murayama intends to persuade Dietmen who are threatening to break away from the party to remain in it by taking such steps as holding a meeting with Yamahana before the prime minister's visit to the United States on 10 January. However, some of the prime minister's close aides believe "some members cannot be kept from leaving." Therefore, measures are also being considered to minimize the impact on the Murayama administration in case some members actually leave the party. After a cabinet meeting on 6 January, Murayama held discussions on the NDL affair for about 20 minutes with five cabinet ministers from the SDPJ, including Construction Minister Koken Nosaka and Labor Minister Manzo Hamamoto. While it was agreed NDL members would be cautioned about making any rash moves, some ministers indicated they expect to see "some 10-19 Diet members from both houses" leave the party.

On 6 January, Chief Cabinet Secretary Kozo Igarashi commented on the impact the possible defection may have on the Murayama administration, saying: "It would be a lie if I said there will be no effect. The question is whether the impact will be "serious," and that depends on how many (actually defect)." Although Yamahana stressed his group would "support the Murayama administration even after the new party is established," it is feared in some quarters of the group supporting Murayama that eventually, Yamahana and others actively in favor of forming a new party may begin taking action that may lead to the collapse of the administration, because the latter intend to cooperate with the New Frontier Party in the elections.

As a result, Murayama's supporters are working on a strategy to minimize the number of defectors by making party members become aware that "the Murayama administration is at a crucial point at which it may fall apart" (as stated by Labor Minister Hamamoto).

Those close to the prime minister are considering the possibility of formally taking up the "1995 Manifesto" on the agenda at the party convention scheduled for 11 February, and having the SDPJ, as a whole, clarify its process on forming a new party. Sakigake [Harbinger

Party] Chairman Masayoshi Takemura (finance minister) is said to have met SDPJ Secretary General Wataru Kubo late last month to sound out the possibility of strengthening cooperative ties, including the formation of a unified parliamentary group. In both cases, there appears to be an intention to remove all legitimate reasons for the NDL's defection and weaken its initiative by strengthening moves "by the party as a whole, to form a new party."

Some 20 SDPJ Members To Join Splinter Party

OW0701140295 Tokyo KYODO in English 1000 GMT 7 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 7 KYODO—Roughly 20 ruling Social Democratic Party (SDP) [of Japan—SDPJ] members are likely to join a preparatory forum that was set up Friday [6 January] in a bid to form a fresh splinter party, SDP sources said Saturday.

Sadao Yamahana, the leader of the internal rebel group New Democratic League (NDL), hastily established the forum by holding a general meeting of the group and it seems uncertain how many SDP members will finally follow suit.

Likely to join the forum are former SDP Chairman Makoto Tanabe and other SDP members who, like Yamahana, believe it necessary to launch a new party before the regular Diet session begins on Jan. 20.

The forum was set up by Yamahana, also a former SDP chairman, and three other Diet members, including Tatsuo Kawabata of the opposition Shinshinto (New Frontier Party) and Takashi Awamori of the Democratic Reform Party.

The forum is scheduled to hold the first meeting of its members on Monday, meaning Yamahana and his supporters will have a busy weekend in talking as many SDP members as possible into joining the forum, the sources said.

Yamanaha is calling for the creation of a third force against the two large conservative parties—the Liberal Democratic Party (LDP) and Shinshinto. The LDP is a partner in the tripartite ruling coalition with the SDP and New Party Sakigake [Harbinger].

The SDP leadership led by Prime Minister Tomiichi Murayama wants instead to transform the current SDP itself into a new party by maintaining the coalition with the LDP and Sakigake.

The SDP, meanwhile, plans to hold a special meeting of its leadership body, the Central Executive Committee, on Tuesday to discuss the agenda for a scheduled Party Congress on Feb. 11.

Yamahana: New Party To Include Non-SDPJ Forces

OW0501084795 Tokyo KYODO in English 0654 GMT 5 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 5 KYODO—The leader of a rebel group in the Social Democratic Party

(SDP) [of Japan, SDPJ] of Prime Minister Tomiichi Murayama said Thursday [5 January] he aims to launch a new party by gathering forces from inside and outside the SDP rather than simply reforming the SDP.

"As of today, our only option is to resolutely carry out (the formation of a new party)," said former SDP head Sadao Yamahana, who leads the New Democratic League.

Yamahana told a New Year ceremony of the All Japan Telecommunication Workers Union that he opposes transforming either the present SDP or the league directly into a new party, calling rather for the establishment of a brand-new party.

The league, formed late last year, is a potential splinter group from the SDP, and Yamahana's remarks suggest that it may launch a preparatory body jointly with other party members by splitting from the SDP leadership before a regular Diet session begins Jan. 20.

SDP Secretary General Wataru Kubo, however, said he wants to create a new party with the participation of all current SDP members.

Kubo called for creating a third force against two large conservative parties—the Liberal Democratic Party (LDP) and Shinshinto (New Frontier Party). The LDP is a partner in the tripartite ruling coalition with the SDP and new party Sakigake [Harbinger].

The SDP leadership led by Prime Minister Murayama also wants to transform the current SDP itself into a new party and maintain the coalition with the LDP and Sakigake.

Murayama, Group Leader Fail To Reach Accord

OW0801083595 Tokyo KYODO in English 0827 GMT 8 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 8 KYODO—Prime Minister Tomiichi Murayama failed Sunday to persuade Sadao Yamahana, leader of the rebel group within the Social Democratic Party (SDP) [of Japan—SDPJ], not to bolt the party to form a new party, undermining the ruling three-party coalition.

Murayama, who is also SDP chairman, met Yamahana, former SDP chairman and the leader of the New Democratic League (NDL) within the SDP, for 90 minutes at the prime minister's official residence.

Yamahana told reporters after the meeting he and Murayama failed to reach accord on the timing of the formation of a new party.

Yamahana also said he told Murayama his group will form a new parliamentary group before the next regular Diet session convenes on Jan. 20.

Yamahana and three other Diet members set up a preparatory forum Friday to form a new "democratic and liberal party."

Yamahana said Friday his group decided to launch a fresh party before the nationwide local elections in April.

The NDL advocates an early dissolution of the SDP to form a fresh party of democratic and liberal forces as a third force to counter two major conservative parties—the Liberal Democratic Party (LDP) and Shinshinto (New Frontier Party). The LDP is the largest bloc in the tripartite coalition with the SDP and New Party Sakigake [Harbinger]. Shinshinto was formed in December in a merger of major opposition parties.

The first meeting of the preparatory forum will be held on Monday.

Up to 20 SDP Diet members, including former SDP Chairman Makoto Tanabe, are expected to participate in the meeting.

Murayama has agreed on the need to form a new party but warned against any hasty formation, calling instead for party unity.

Further on Failed Talks

OW0801110095 Tokyo KYODO in English 1045 GMT
8 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 8 KYODO—Prime Minister Tomiichi Murayama and Sadao Yamahana, the leader of the rebel group in Murayama's Social Democratic Party (SDP) [of Japan—SDPJ], failed Sunday [8 January] to reach an accord to prevent the breakup of the party.

In a 90-minute tete-a-tete meeting at the prime minister's official residence, Yamahana, leader of the New Democratic League (NDL), stressed the need for the formation of a new party of "democratic and liberal forces" before the nationwide local elections in April, Yamahana told reporters after the meeting.

"The tempo of political realignment will not wait for the internal affairs of the SDP... [ellipses as received] It is necessary to actively tackle realignment before the elections," Yamahana reportedly told Murayama.

Murayama, who is also the SDP chairman, called on Yamahana, a former SDP chairman, to change his mind, saying it is better to discuss the formation of a new party when more time can be spent on the matter after the April elections.

Yamahana said his group will quit the party to form a parliamentary force before the regular Diet session begins on Jan. 20.

"This is embarrassing," Murayama told Yamahana. "It would be a favorable wind at the local elections if we discuss the matter as a whole party, debating at party organizations to make it a better party. This is regrettable."

The prime minister said he cannot understand why Yamahana's group quit the party since they share the same purposes.

Yamahana said his group will continue to support the Murayama government and pledged his group will not quit the party while Murayama is visiting the United States from Tuesday to Friday to meet President Bill Clinton.

The NDL advocates an early dissolution of the SDP to form a fresh party of democratic and liberal forces as a third force to counter two major conservative parties—the Liberal Democratic Party (LDP) and Shinshinto (New Frontier Party).

The LDP is the largest bloc in the tripartite coalition with the SDP and New Party Sakigake [Harbinger]. Shinshinto was formed in December in a merger of major opposition parties.

Yamahana, Tatsuo Kawabata of Shinshinto, Takashi Awamori of the Democratic Reform Party and Banri Kaieda of the New Democratic Club set up a preparatory forum Friday to form a new "democratic and liberal party."

The first meeting of the preparatory forum will be held on Monday.

Some 20 SDP Diet members, including former SDP Chairman Makoto Tanabe, are expected to participate in the meeting.

The SDP joined the coalition government of then Prime Minister Morihiro Hosokawa in August 1993 and quit the coalition in April 1994.

Murayama became Japan's first socialist prime minister in 47 years last June with the backing his long time archenemy, the LDP. Since then the SDP has reversed its major policies, including the recognition of Japan's Self-Defense Forces as constitutional.

Murayama Moves To Prevent Split

OW0901112095 Tokyo KYODO in English 1046 GMT
9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—Prime Minister Tomiichi Murayama made last-ditch efforts Monday to halt the rapidly accelerating move within his Social Democratic Party [of Japan] (SDP) [SDPJ] of a walkout to create a new party.

Murayama, the SDPJ chairman, urged party Secretary General Wataru Kubo to pursue a compromise to prevent the apparently imminent split of the party, while former SDPJ Chairman Sadao Yamahana, who leads the move, held the first meeting of an intraparty panel to prepare for the planned new party.

Murayama also met with other party leaders and SDPJ cabinet members to discuss the party crisis.

Yamahana, who has formed an intraparty group called New Democratic League to give his new party project a thrust, said in a meeting with Kubo that some 30 SDPJ members will join the panel.

Several other Diet members outside SDPJ, including Banri Kaieda, who heads a five-member Diet bloc called New Democratic Club, and Tatsuo Kawabata of Shinshinto (New Frontier Party), a newly created opposition party, also attended the preparation panel meeting.

Kaieda insisted at the meeting that joining the panel should require leaving the SDPJ and that the new party should be created by the Jan. 17 deadline for party registrations to receive government subsidies to political parties.

Yamahana showed "understanding" to Kaieda's proposals, panel members said.

A total of 22 Diet members, including 16 SDPJ legislators, have told KYODO NEWS SERVICE that they will join the new party preparation panel.

Murayama appears to have given up hope of persuading Yamahana and his followers to delay the launching of the new party as the prime minister and his supporters are requesting.

"I did not try to persuade him. We are already wide apart," he said of his meeting with Yamahana on Sunday.

In a meeting of the league's executives and a later general assembly, the members failed to decide on the schedule for future meetings of the group.

Of the 24 members at the general assembly, 13 lawmakers, including former SDPJ Chairman Makoto Tanabe, said they will join the panel.

Earlier in the day, Murayama voiced a warning, saying Yamahana's move could affect his administrative power at a time when he is visiting the United States.

Murayama will meet U.S. President Bill Clinton in Washington on Wednesday.

Yamahana has said he will leave the SDPJ before an ordinary Diet session convenes on Jan. 20 unless he agrees with Murayama on the timeframe for inaugurating the new party.

He has been the principal advocate for moving quickly to dissolve the SDPJ and rally "democratic" and "liberal" forces to rival Japan's two conservative parties—the Liberal Democratic Party (LDP) and Shinshinto.

SDPJ currently forms the ruling coalition with the LDP and a tiny LDP splinter group New Party Sakigake [Harbinger].

LDP Secretary General Yoshiro Mori criticized Yamahana's group for undermining the ruling coalition.

He told a Monday press conference that he views the move as an attempt to forge an alliance with Shinshinto or to bring down the coalition government.

In a related development, Murayama expressed confidence that the New Democratic League's move will not be a destabilizing factor to his hold on power.

"This may change the current of politics, but I don't think this will destabilize the political situation," the premier said in a joint interview with the U.S. press prior to his U.S. visit from Tuesday through Friday.

Yamahana Interviewed on New Democratic League

OW0601101195 Tokyo MAINICHI SHIMBUN in Japanese 28 Dec 94 Morning Edition p 1

[Report on interview by unidentified correspondent with Wataru Yamahana, secretary general of the Social Democratic Party of Japan, on 27 December; place not given]

[FBIS Translated Text] Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], granted an interview to MAINICHI SHIMBUN on 27 December. Regarding a movement of the SDPJ's "New Democratic League [NDL]" (chairman: Sadao Yamahana), which aims to form a new party prior to convening an ordinary Diet session (on 20 January), he said: "The strength of the third political force will be weakened if they form a new party by splitting the SDPJ. I am thinking about giving concrete form to the concept of forming a new party while avoiding a situation that may be linked to a collapse of the Murayama administration." In this way, he disclosed his view that he will not align himself with the NDL's hard-line stance.

Kubo also said: "We need to hold an emergency meeting of the central executive committee if we see a possibility of us not being able to hold an emergency party convention in February (as a result of mass secession)." In this way, he explained his intention to hold an emergency executive committee meeting to discuss measures to deal with the NDL issue in early January prior to holding a regular central executive committee meeting, slated to be held on 12 January, if the NDL insists on forming a new party on its own.

At the 12 January central executive committee meeting, the SDPJ plans to adopt programs and other matters for the party convention slated to be held on 11 February. However, the NDL is determined to form its own "preparatory committee for formation of the new democratic liberal party." Participation in and aligning oneself with the preparatory committee will be understood as a de facto announcement to secede from the party. Kubo stressed the need to have discussions by holding an emergency central executive committee meeting by 9 January if the NDL does not soften its stand.

Moreover, Kubo also commented on the issue of whether the SDPJ, at the party convention in February,

will adopt a "1995 declaration," which will spell out the new party's ideology and policies. He said: "We will not make proposals to the party convention while knowing from the beginning that we will not 'adopt' the declaration." In this way, he explained his stance of aiming at adopting the 1995 declaration.

NFP Beginning To Organize Local Chapters

OW0601130395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Dec 94 Morning Edition p 2

[FBIS Translated Text] The New Frontier Party [NFP] has finally settled the personnel arrangements at its headquarters, and will start full-scale organizing of its local chapters beginning early next year. Concerning local organizations, prefectural chapters were inaugurated in Chiba and Kanagawa on 23 December, Tochigi on 24 December, and in Fukushima on 27 December. With united local elections close at hand, what the party headquarters intends is to speed up organization of local chapters. However, it may be a considerably long time before local chapters can be organized throughout the country. In some prefectures, the NFP has met with difficulties in consultations because of such reasons as differing anticipations cherished by various parties joining the NFP or lack of dietmen capable of playing the leading role in local chapters.

Takashi Aoyama, floor leader of the former Democratic Socialist Party [DSP], has assumed the chairmanship of the party's organization committee. In his greeting remarks at a plenary meeting of the dietmen from both houses, Aoyama stated: "First of all, it will be necessary to speed up the formation of local organizations throughout the country, and I would like to ask for your cooperation in this concern." Thus, he urged all dietmen to make efforts in forming local organizations. Early next year, the party plans to work out "a manual on organizing prefectural chapters" based on examples of Chiba and other prefectural chapters that have already been formed, and distribute it among all dietmen.

NFP prefectural organizations are federations of local electoral chapters with candidates for 300 single-seat constituencies of the lower house acting as representatives. In this connection, local chapters are normally organized with these candidates playing the leading role. Consultations have been carried out smoothly only in those prefectures where the number of incumbent dietmen is well balanced among various parties joining in the NFP. Preparations are now under way to inaugurate local chapters in Aichi Prefecture in January and in Okayama and Wakayama prefectures in February. The first local chapter was inaugurated in Chiba Prefecture because local assemblymen, particularly younger members, "share the same view that efforts must be sped up in starting election campaigning as NFP members," (as stated by a source at the party secretariat).

Meanwhile, there are certain localities where preparations for forming local chapters cannot begin because no

decision can be made regarding the selection of candidates. In Shiga Prefecture, Tatsuo Kawabata is the only incumbent dietmen elected from the former DSP, and the work for forming the prefectural chapter still has not begun. The NFP originally planned to announce its first official endorsement of candidates before the end of 1994, but the announcement has been postponed until early next year. Thus, even the prospects for holding consultations is still far from certain.

Moreover, although united local elections are close at hand, local assemblymen have not necessarily reached a consensus on campaigning as NFP members. Local assemblymen in Shiga Prefecture affiliated with the former DSP "tend to impose greater expectations on the 'Liberal Kinki' [a region located in west central Honshu consisting of Osaka, Shiga and other prefectures] to be formed by the Rengo's Kinki chapter, than on the NFP because they used to run in elections as candidates affiliated with the Japanese Trade Union Confederation [Rengo]," (as stated by Kawabata). Therefore, the NFP has to think twice before forming the prefectural chapter. There is one such precedent: In Ehime Prefecture, since various old parties were divided on measures to deal with the gubernatorial election, there seems to be no hope at all for organizing the prefectural chapter.

Chairman Aoyama of the NFP organization committee plans to start positive efforts to recruit party members and party supporters as well beginning early next year, hoping "to attain the objective of recruiting 3 million party members at an early date." However, it can be said that the delay in organizing local chapters is bound to affect the recruitment of party members.

Candidate List Available in Feb

OW0701125395 Tokyo KYODO in English 1152 GMT 7 Jan 95

[FBIS Transcribed Text] Wakayama, Japan, Jan. 7 KYODO—Japan's largest opposition party Shinshinto (New Frontier Party) plans to announce in February a list of 270 to 280 candidates for the next general election, the party's top election strategist said Saturday [7 December].

Keisuke Nakanishi, Shinshinto's election panel chief, revealed the plan during a local radio program in his native Wakayama Prefecture.

Nakanishi, a member of the House of Representatives and a former Defense Agency director general, predicted an imminent political upheaval depending on the number of Social Democratic Party (SDP) [of Japan—SDPJ] members who would quit the party.

Commenting on the timing of a general election, the senior Shinshinto member said it could coincide with key local elections in April or a House of Councillors election in July.

While Nakanishi spoke of Shinshinto's plans to field 270 to 280 candidates in single-seat constituencies across the country, Shinshinto Secretary General Ichiro Ozawa emphasized in a speech in Fukuoka that the time for Japan to have a two-party system has begun.

Ozawa, the mastermind of Shinshinto's birth last month, said the three-way ruling coalition and his party widely differ over foreign policy and the degree of their willingness to take deregulation measures.

"There is no path left for Japan other than to co-exist with international society," he said.

Opposition Lawmakers Form New Diet Group

OW0901105195 Tokyo KYODO in English 1017 GMT 9 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 9 KYODO—The eight-member opposition party Liberal League registered Monday [9 January] as a new parliamentary group in the 511-seat House of Representatives.

The eight Diet members, including former Foreign Minister Koji Kakizawa, Keigo Ouchi, former health and welfare minister and former chairman of the now defunct Democratic Socialist Party, Koki Ishii and Yanosuke Narasaki, formed the party on Dec. 21 after the new opposition alliance Shinshinto (New Frontier Party) failed to lure them over.

Ishii had belonged to the opposition New Democratic Club and the other seven had been independent forces in the lower house.

The new group is already expected to lose one member, Narasaki, who said he may soon secede from the new group to join an interparty panel launched Friday to prepare for a new party to be formed after rebel Social Democratic Party [of Japan] members leave the ruling coalition partner.

The other legislators are Shinichiro Kurimoto, Shinichi Koizumi, Shizuo Sato and Torao Tokuda.

The largest opposition party, Shinshinto, was formed last month and has 178 seats in the lower house and 35 seats in the 252-seat House of Councillors.

North Korea

Ministry: Trade Barriers With U.S. To Decrease

SK0901040995 Pyongyang KCNA in English 0404 GMT 9 Jan 95

["Restrictions on Import of U.S. Commodities and Ban on Portcall of U.S. Trading Ships To Be Lifted"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a

question put by KCNA today on the reduction of barriers to trade and investment between the DPRK and the United States.

He said:

Under the framework agreement between the DPRK and the United States, the two countries are to lower the barriers to trade and investment including the lifting of restrictions on telecommunications services and financial transactions within three months of the date of the agreement as part of the work for the full normalisation of political and economic relations.

In order to implement the framework agreement, the Administration Council of the DPRK has decided to lift from mid-January the restrictions on the import of U.S. commodities and the ban on the entry of U.S. trading ships into DPRK ports in trade dealings between the DPRK and other countries.

The restrictions on the import of U.S. commodities and the ban on the portcall of U.S. trading ships are all of the restrictions we have applied in our economic and trade relations with the United States.

This means that we have completely fulfilled our obligation under the provision on the reduction of the barriers to trade and investment stipulated in the DPRK-U.S. framework agreement.

Paper Dismisses ROK's Call for Reconciliation

SK0701111695 Pyongyang KCNA in English 1014 GMT 7 Jan 95

["NODONG SINMUN Debunks Kim Young-sam Group's Call For 'Reconciliation and Cooperation'—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 7 (KCNA)—NODONG SINMUN today dismisses the "preparation for an era of North-South reconciliation and cooperation" now cried for by the Kim Yong-sam group of South Korea as a hypocrisy and deception and a smokescreen to conceal its anti-reunification, separatist nature in opposing national reconciliation and unity and reunification.

This is proved by the acts of the Kim Yong-sam group, adds the paper.

It says in a by-lined article: Take for example the recent "cabinet reshuffle" of Kim Yong-sam.

He appointed Yi Hong-gu, who had been deputy prime minister and unification minister of the puppet government to be "prime minister." He also assigned 13 military fascists who had earned ill fame for their pursuit of fascism and division, confrontation and war in the "Fifth and Sixth Republics" to major posts of "ministers" in the "cabinet shake-up".

How can the improvement of North-South relations are expected with these past masters in North-South confrontation and war schemings at major posts of the "administration"?

That the Kim Young-sam group's advertisement of "reconciliation and cooperation" is a fake is fully proved also by the fact that it still maintains the worst laws against reunification and for confrontation such as the "National Security Law". No matter how loudly it may cry for "reconciliation," "exchange" and "cooperation" between the North and the South while maintaining the "National Security Law" it is no more than an empty talk. We cannot take a serious view of the hysteric arms buildup and war exercises of the Kim Young-sam group behind the facade of "reconciliation and cooperation." They earmarked 11,074,400 million won, a larger sum than last year, for "military spendings" this year and recently decided to import 120 F-16s from the United States. They are staging war exercises against the North almost every day while strengthening military collusion with the United States and Japan.

"Preparation for an era of North-South reconciliation and cooperation" talked about by Kim Yong-sam means, in the final analysis, aggravation of North-South confrontation and completion of war preparations.

South's Economic Stability Policies Denounced

*SK0901103395 Pyongyang KCNA in English 1015
GMT 9 Jan 95*

["There Can Be No 'Economic Growth' in S. Korea Under Present Regime"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—In his "New Year press conference" Jan. 6, the traitor Kim Yong-sam defined "economic stability" as one of the "major tasks of the state policy" this year.

NODONG SINMUN today brands this as a deceptive policy advertisement designed to lull the anti-"government" fighting spirit of the people and achieve the stability of "power."

The paper says in a by-lined article:

There can never be such an "economic growth" as propagandized by the traitor Kim Yong-sam in South Korea which has an export-oriented colonial dependent economy based on processing trade.

It is nonsensical to talk about a (?smooth) growth of the South Korean economy without any independence, which is bound to be affected by the world economic fluctuation of capitalism.

Especially, the South Korean economy cannot survive under the anti-popular "government" of Kim Yong-sam.

Since it took office, the Kim Yong-sam group has only lined its pocket through irregularities and frauds, driving the South Korean economy into a quagmire of dependence and bankruptcy.

The opening of the South Korean rice market has deprived the six million farmers of the means of livelihood and made the South Korean people dependent on foreign food.

The "new economic policy" in the industrial sector brought most of the minor enterprises to bankruptcy. The "system of financial transactions in real name" enforced by the Kim Yong-sam group resulted in encouraging irregularities and corruption.

The deficit of trade with Japan ran into 10,600 million dollars, the largest ever in history. As a result of the catastrophe in foreign trade, a total of some 5,900 enterprises went insolvent in the first half of last year.

As seen above, the traitor Kim Yong-sam's advertisement of "economic growth" is a reversed version of economic bankruptcy.

ROK's Policy of 'Globalization' Criticized

*OW0501100695 Pyongyang KCNA in English 0416
GMT 5 Jan 95*

["Foolish Ballad of 'Globalization'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 5 (KCNA)—The traitor Kim Yong-sam on January 3 summoned the puppet prime minister, the speaker of the National Assembly and the president of the Supreme Court to "Chongwadae" and told them to "promote globalization with new inaugural readiness and determination", according to a radio report from Seoul.

The traitor Kim Yong-sam is repeatedly vociferating about the "promotion of globalization" from the beginning of the year in a foolish attempt to bridge over the crisis of the "civilian government" facing a total bankruptcy with the failure of the "policy of reforms" in the past and save the miserable lot of the tottering "Chongwadae" at any cost this year.

"Globalization" on the lips of the traitor Kim Yong-sam is unclear in concept itself.

"Globalization" will result in driving the South Korean economy more deeply into the mouth of the greedy outside forces and deepening the economic dependence. The traitor Kim Yong-sam is trying to prolong his remaining days with the outside help, clinging to the coattail of the outside forces.

The traitor Kim Yong-sam must not make a mock of the people with such a deceptive maladroitness slogan as "globalization" but step down from power without delay.

Idea Said 'Coup-Like Measure'

*SK0701050095 Pyongyang KCNA in English 0445
GMT 7 Jan 95*

["What Is 'Globalisation' For?"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 7 (KCNA)—NODONG SINMUN today comments on the "globalisation" loudly advertised by Kim Yong-sam of South Korea.

The news analyst says:

"Globalisation" about which Kim Yong-sam is quite loud-mouthed is a criminal slogan to open the door to aggressive outside forces and remain in power with their backing by selling off the country and the nation.

Kim Yong-sam has brought forward "globalisation" because the "civilian government" is in a serious crisis. His group has been driven into a tight corner with the total failure of the "reform policy" and the "policy toward the North" and the "foreign policy" of South Korea.

The "globalisation" which the Kim Yong-sam group is peddling is also a scheme to build up the ruling machines with its vassals and establish a system for a long-term office. The fiasco of the Kim Yong-sam group's "reform policy," "policy toward the North" and "foreign policy" has plunged the ruling quarters into a confusion. "Chongwadae [presidential offices]," the "National Assembly," the "administration" and the "Democratic Liberal Party" blame one another for this and they are reaching the conclusion that Kim Yong-sam is wholly to blame and the problem will be solved only when he resigns as "president" before the expiration of the term of his office. The masterminds and remnants of the "Yusin" system and the forces of the "Fifth and Sixth Republics" are directing the sharp edge of attack to the Kim Yong-sam regime. Under these circumstances, Kim Yong-sam intends to raise the wind of "globalisation" and rebuild the ruling system.

Through the "restructuring of the government" and ensuing "cabinet reshuffle" at the end of last year, Kim Yong-sam placed his underlings at important posts of the "administration" and, especially, included many of the military dictatorial forces in power. Talking about an "era of local autonomy" fitting "globalisation," he schemes to fill the posts of the "local assemblies and governments" with his underlings and vassals. The "globalisation" scheme is, in the final analysis, a coup-like measure to establish a new brutal fascist rule, a combination of military dictatorship and "civilian" dictatorship, and a system for long-term office.

'Military Provocations' Alleged Along DMZ 6 Jan
SK0801082295 *Pyongyang KCNA in English 0806*
GMT 8 Jan 95

[FBIS Transcribed Text] Pyongyang, January 8 (KCNA)—The South Korean puppets brought a 90-mm recoilless gun to an MP post in the Demilitarized Zone (DMZ) in the central sector of the front on January 6 and took a firing posture at a civil police post of the North side, seriously threatening the safety of soldiers of the Korean People's Army, according to military sources.

On the same day, several hundred bandits of the puppet army armed with machine guns and other automatic weapons warmed to various places of the DMZ in the western and central sectors of the front, to rage about and create a grisly war atmosphere. Such military provocations which are committed every day in the new year are part of the premeditated moves of the traitor Kim Yong-sam to deliberately bring the situation in the DMZ to a higher pitch of strain.

South's 'Military Provocations' Denounced

SK0901044495 *Pyongyang Korean Central*
Broadcasting Network in Korean 1225 GMT 7 Jan 95

[Commentary by Yun Pyong-son: "Powder-Reeking Begins As Soon As the New Year Has Set In"]

[FBIS Translated Text] The South Korean puppets began running frenzied and wild in the North-South confrontation as soon as the New Year set in. According to a report, the puppets brought a Vulcan gun drawn by a military vehicle into an area 300 meters southeast of Military Demarcation Line [MDL] marker 0054 at Tongchang-ri, Panmun County, on 5 January. Prior to this on 3 January, the puppets brought a large-caliber machine gun into the DMZ south of MDL marker 1180 at Ipo-ri, Kungang County; deployed it aimed at our side; and assumed a firing posture at the soldiers of our People's Army for several hours.

These military provocations against us committed by the puppets in the DMZ have been perpetrated every day beginning 1 January. During those days, the puppets illegally brought many armed rascals, heavy weapons, and military vehicles into the DMZ; they threatened us, exploding hand grenades and firing automatic weapons in a frenzy, thus inspiring a warlike atmosphere.

In the meantime, on 4 January the puppets, along with the U.S. imperialist warmongers, conducted a joint aerial war exercise aimed at a northward invasion, mobilizing hundreds of military aircraft, and reeking of gunpowder. Bringing shells, ammunition, and operational supplies to the forefront in tens of military vehicles and 10 transport helicopters, the puppets aggravated the situation even further.

It is well-known that the Kim Yong-sam ring made an outburst of war as soon as the New Year set in, raving about someone's military provocations and strengthening complete military preparedness. What the puppets consistently seek is reunification by defeating communism by force of arms.

The grave military provocations and war exercises that the puppets committed along the MDL in the DMZ are a direct outcome of their policy of North-South confrontation and their policy of war of northward invasion. This shows how desperate they are to aggravate North-South relations even further, and to lead the situation on the Korean peninsula continuously to a critical situation.

The maneuvers of the Kim Yong-sam puppet clique, which reeked of powder as soon as the New Year set in, are an intolerable challenge to national reconciliation between the North and South as well as to the nation's aspiration for the country's peaceful reunification.

As everyone knows, this year marks the 50th anniversary of the division of the country and the nation by foreign forces. The tragedy of division, which began in the mid 1940's, continues today as the 20th century nears an end. This is really a shame for our fellow countrymen who boast of 5,000 years of history since the founder Tangun, and who have lived as one nation.

It is the consistent aspiration and firm will of our nation to bring an end to division and to realize reunification in the 1990's. To realize the country's reunification in conformity with the nation's aspiration and demand, national reconciliation and unity should be achieved. Nevertheless, the Kim Yong-sam ring began reeking of powder and aggravating tensions as soon as the New Year set in. This shows their policy of confrontation remains unchanged, and proves once again they are disturbers of peace and vicious splittists.

War and peace, war and reconciliation are never compatible. The traitor Kim Yong-sam raved in the New Year that he would open a new era of North-South reconciliation and cooperation, thus pretending to do something for the improvement of North-South relations. We would question: "How can you bring forth North-South reconciliation and cooperation while firing gunshots against fellow countrymen and aggravating tensions?"

The gibberish of reconciliation and cooperation which the puppets make is nothing but sophistry to hide their antireunification and bellicose nature.

The puppets' criminal war maneuvers can never be tolerated in view of the trend of the times, which longs for peace and security on the Korean peninsula, and from the standpoint of reconciliation and unity between the North and South. The nation will inflict a stern punishment on the Kim Yong-sam ring, which reeks of powder and dashes toward confrontation and war as soon as the New Year set in.

World Public Demands Demolition of Concrete Wall

SK0701104995 Pyongyang KCNA in English 1003 GMT 7 Jan 95

[FBIS Transcribed Text] Pyongyang, January 7 (KCNA)—The world public is strongly demanding the demolition of the concrete wall built in the area south of the Military Demarcation Line.

The All India Indo-Korean Friendship Association and the Indian Committee for Supporting Korea's Reunification in a joint statement on December 21 last year said

that the concrete wall built by the South Korea authorities at the instigation of the United States is aimed at keeping Korea divided into two forever and demanded the demolition of the wall.

Amaral Matos, first secretary of the Maputo City Committee of the Mozambique Liberation Party, in a recent statement vehemently denounced the Kim Yong-sam group for brutally cracking down upon the struggle of the people by invoking the "National Security Law", refusing to pull down the concrete wall, a symbol of the division of the Korean nation.

The director of Nicaraguan Radio Fiesta in a statement on December 16 last year noted that all the people of the world who love peace and justice should lift up voices demanding the removal of the concrete wall and the abolition of the "National Security Law".

R. Nansal, rector of the Private Institute of Oriental Philosophy, speaking at a meeting held in Mongolia to support the appeal of the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea, expressed full support and solidarity for the appeal of the DPRK for the demolition of the concrete wall.

At seminars sponsored by the Communist Association of Sweden and the group for the study of the chuche idea of Comrade Kim Il-song of West La Penitence, Georgetown, Guyana, the speakers said that the concrete wall is a product of the anti-reunification, splittist moves of the South Korean authorities. The fact that the tragic wall exists on the globe still now is a deep disgrace to humankind, they stressed.

The December 29, 1994, issue of the Mexican magazine SIEMPRE carried articles titled "Wall Dividing Korea", "World Demands Its Removal", "National Security Law' of South Korean Authorities Is Political and Institutional Device Hindering Reunification of Korea and Concrete Wall Is Physical Barrier Bisecting Korean Nation".

Indian Legislators Support Appeal on 'Wall'

SK0901102195 Pyongyang KCNA in English 1005 GMT 9 Jan 95

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—Som Nath Chatterjee, Indrajio Gupta and 44 other Indian parliamentarians from different political parties released a joint statement on January 1 supporting the appeal of the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea to the parliaments and politicians of all countries around the world.

The appeal dated December 12, 1994, calls upon the parliaments and politicians of all countries to lift up voices demanding the demolition of the concrete wall built by the military dictators of South Korea in the past

in the area south of the Military Demarcation Line [MDL], on the lapse of fifteen years since the completion of the wall.

The joint statement expresses full support to the fair and aboveboard appeal for the independent, peaceful reunification of Korea and deep concern over the fact that the South Korean authorities have not yet taken any step to pull down the concrete wall, though fifteen years have elapsed since they completed it in the area south of the MDL dividing Korea into two.

The joint statement says:

We hold that the process of Korea's reunification must be promoted with the concrete wall pulled down.

Regarding the South Korean "National Security Law" [NSL] as a fascist law aimed at destroying democratic principles and violating the democratic rights of the South Korean people, we demand that the "NSL," an anti-democratic law against the reunification of the Korean people, be scrapped immediately.

We Indian parliamentarians from different political parties, sincerely hope that the independent, peaceful reunification of Korea, the supreme desire of the nation, will certainly be achieved in the new year 1995 under the wise guidance of the great leader of the Korean people Comrade Kim Chong-il.

CPRF Official Supports Tasks for Reunification

SK0901043295 Pyongyang KCNA in English 0423
GMT 9 Jan 95

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—The ardent desire of the fellow countrymen to live together in a reunified country will surely be realized as there are the principle, programme and way of national reunification put forward by the great leader Comrade Kim Il-song and the wise guidance of respected Comrade Kim Chong-il, the great leader of the nation and the lodestar of national reunification, declares Chong Sin-hyok, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF]. In a statement on Jan. 8 supporting the tasks for national reunification set forth in a joint editorial of NODONG SINMUN, CHOSONINMINGUN (daily of the Korean People's Army) and NODONG CHONGNYON on the new year, he says:

The Korean nation has waged a persistent struggle for national reunification for half a century since the country was divided, but has not yet terminated the tragedy of division owing to the obstruction of the splittists at home and abroad.

Our nation can no more endure the pains of division. It must reunify the country in the 90s without fail.

The reunification of the country is unthinkable apart from the great unity of the whole nation and the only way

of putting an end to the division of the country lies in the close unity of the whole nation as one.

All the Koreans in the North, the South and overseas must firmly unite as one in accordance with the idea of "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by the fatherly leader, transcending the differences in party affiliation, grouping, political view and religious belief.

Pointing out that today the force obstructing reunification is the present South Korean ruling group under the "civilian" mask, he said: All the developments in South Korea over the last two years clearly show that the Kim Yong-sam "regime" is a most despicable flunkeyist and treacherous "regime" and a fascist "regime" seeking division, which outdistances the preceding military dictatorial "regimes" of the "Fifth and Sixth Republics" and there is nothing to be expected from it.

He called upon the students and people and public figures of South Korea to turn out more vigorously in a nationwide grand march to remove the anti-national, anti-reunification Kim Yong-sam "regime" and reunify the country in the 90s.

Remarks by ROK Military Leaders Denounced

SK0701123695 Pyongyang Korean Central
Broadcasting Network in Korean 1225 GMT 6 Jan 95

[Commentary by Kim Ho-san: "Civilian Warmongers' Concert of War"]

[FBIS Translated Text] According to a report, civilian South Korean warmongers, while finding fault with us, are recklessly making violent remarks on war at the beginning of the new year.

When he started work in the new year on 3 January, puppet National Defense Minister Yi Yang-ho, chairman of the Joint Chiefs of Staff Kim Tong-chin, and other brass-hats of the puppet army, navy, and air force loudly made the remarks that perfect military preparedness should be strengthened to cope with the North's military provocations.

The puppet military brass-hats jointly and loudly made such remarks on war at the very beginning of the new year. We believe that in so doing, they showed a very ominous [maeui simsangchi annun] military attempt.

The deliberate, intentional [kyehoekchogimyo uidojogin] provocative violent remarks on war by the puppet military brass-hats clearly show that the bastards [nomduri], running counter to the trend of the era, will further strengthen their war and confrontation maneuvers this year to further worsen the North-South relations and continuously lead the situation on the Korean peninsula to the state of crisis. This is an traitorous act not only in view of the demand of the era for peace and security on the Korean peninsula, but in view of the

aspirations of the fellow countrymen who yearn for North-South reconciliation and unity and the fatherland's peaceful reunification.

As a result of our principled, sincere efforts, the DPRK-U.S. agreed framework was adopted and is being implemented. This has brought a new trend of detente to the Korean peninsula and opened a very favorable phase in the way of peace and security on the Korean peninsula and the fatherland's reunification.

Needless to say, such a development of the situation is beneficial to both the North and South. Therefore, the South Korean authorities must act to comply with the development of the situation on the Korean peninsula and positively take measures that correspond to the development of the situation. However, instead of doing so, the South Korean puppets are viciously challenging the trend of the era. In so doing, the puppets are trying to throw a wet blanket over the atmosphere for implementing the DPRK-U.S. agreed framework and hinder its implementation. Also, the bastards [nomdurun] are trying to deliberately lead the North-South relations to a phase of tense all-out confrontation. In short, the puppets are trying to continuously accelerate preparations for a war of northward aggression. Moreover, what cannot be overlooked is the fact that the bastards [nomduri] stressed that they would make every effort to achieve globalization in national defense [kukpangui segyehwarul wihaeso]. In this way, they exposed their vicious intention to overpower [che-ap] us on the strength of outside forces after bringing in various forces of aggression [chimnyakseryok].

All facts clearly prove that the fact that the Kim Yong-sam clique raved at the beginning of the new year about North-South reconciliation, exchange, and cooperation is a mere hypocritical, deceptive propaganda and a treacherous statement to conceal their bellicose colors.

The South Korean puppets must clearly know what grave consequences their war maneuvers will bring. The civilian warmongers, who pursue confrontation and war in defiance to the trend of the era and national aspirations, will only meet a shameful destructive destiny.

Kim Yong-sam's 'New Year Press Conference' Noted

SK0901053695 Pyongyang KCNA in English 0526 GMT 9 Jan 95

[FBIS Transcribed Text] Pyongyang, January 8 (KCNA)—NODONG SINMUN today comments on the traitor Kim Yong-sam's advertisement about his "achievements" at his "New Year press conference" on this year's "state policy" Jan. 6.

The news analyst says:

Though Kim Yong-sam began the "press conference" with advertising his "achievements," the whole process

of the "press conference" full of appeasement and deception, lies and hypocrisy showed that his treacherous policies in politics, the economy and other spheres of society ended up in a total fiasco and the future of the "civilian"- veiled fascist treacherous "government" is gloomy.

The "globalization plan" which Kim Yong-sam pompously described as "the top goal of the state policy" is an empty talk which is not worth a farthing.

Kim Yong-sam is criticised by the press for his failure to clearly define the concept of "globalization" because of his ignorance of politics, philosophy and economics. It is abnormal for him to have set "globalization" as the "top goal of the state policy."

All of the "six major tasks" enumerated by Kim Yong-sam such as "full-fledged local autonomy," "a better quality of life" and "globalization of diplomacy" are flowery false commitments of a political prostitute.

In his address on North-South relations, Kim Yong-sam made it plain once again that he has no will for reunification and he is an idiot with no view of the reunification question.

He did not utter a word about "reunification" but let loose a string of interfering and provocative words such as "change" and "reform and opening." What rolled off his tongue was the ridiculous jargon that "reunification is the goal and means of globalization."

To make the long story short, Kim Yong-sam's "New Year press conference" disappointed the South Korean people who ardently wish independence, democracy and reunification.

MINJU CHOSON says the "New Year press conference" fully showed Kim Yong-sam's true color as an idiot and his anti-national, anti-reunification nature.

Tax Embezzlement Incidents in South Criticized

SK0801050195 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 4 Jan 95

[Commentary by Yun Pyong-son: "The Root of Evil Must Be Cut Off"]

[FBIS Translated Text] It has been reported that tax embezzlement incidents took place in cities, counties, and districts throughout South Korea. According to official data recently announced by the puppets, the tax embezzlement incidents that took place in 259 cities, counties, and districts throughout South Korea number approximately 63,000; the total embezzled amount is approximately 42 billion won [\$53 million]. This is a very considerable amount of embezzled money. The people involved in these embezzlement incidents number several hundreds. It has also been reported that the amount of embezzled money will increase in the future.

As shown in the data, one hundred percent of cities, counties, and districts throughout the country are involved in tax embezzlement incidents. Persons identified as so-called public servants have embezzled and squeezed taxes paid for by the perspiration of the people. Therefore, South Koreans are denouncing their government offices as the hangouts of burglars and [word indistinct] as thieves. As such, South Korea is a world of burglars as well as a furious and rotten area.

The tax embezzlement incidents that took place in all cities, counties, and districts throughout South Korea are an indispensable result brought about by the Kim Yong-sam ring's anti-national rascals. As everyone knows, while frantically running about committing fascist violent suppression and preparing for war, the Kim Yong-sam ring forcibly imposes considerable taxes on the people every year in order to appropriate funds for themselves.

In general, taxes in capitalist countries are the basic source of budget income. However, South Korea's tax system is a lever for corruption and fraud, as well as a most heinous method of exploiting the people. The seriousness of the situation is well described by the South Korean people, who call their taxes life-threatening taxes, worse than the taxes paid by the perspiration of the people. People of the world call South Korea's taxes a hell tax.

Nevertheless, not only ruling bandits who are at the head of power with the tax embezzled from the people, but also officials who are at low-level positions, are competing to burglarize the taxes. Only the people suffer tragedy.

Why did tax embezzlement incidents take place in all cities, counties, and districts throughout South Korea rather than in one or two places? If upstream is dirty, downstream is dirty as well. When it took power, the Kim Yong-sam ring loudly talked about so-called integrity or the liquidation of irregularities. It babbled that irregularities are the so-called Korean disease [han-gukpyong], and that it is qualified to heal it. However, the puppet clique has turned South Korean society into a world where swindles run rampant, and where committing irregular acts are at the forefront.

In fact, irregularities have become a deep-seated and bad habit in South Korea. However, there is no harsher times than now in which Kim Yong-sam, who calls for integrity, took over the post of power. The Kim Yong-sam treacherous government is more rotten than any other dictatorial government in the past. As prove, tax embezzlement incidents took place in all cities, counties, and districts throughout South Korea it.

It is natural to see those incidents in South Korean society based on extreme individualism. The Kim Yong-sam ring, which is a slave to money, is sowing seeds of irregularities on the rotten soil of the so-called free and

democratic system. Therefore, society is becoming a world of thieves in which everyone cheats each other, taking money from others.

The root of evil should be cut off in a timely manner. Otherwise, the South Korean people will lose all their property and will even fail to maintain their lives. It is right for the South Korean people to rise up to struggle against the Kim Yong-sam government, a group of burglars, saying they expect nothing from the present government.

Repatriation of 'Unconverted' Prisoners Urged

*SK0901041895 Pyongyang KCNA in English 0412
GMT 9 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—Public organisations and figures of many countries around the world are lifting up their voices demanding the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, to the northern half of Korea.

Abdalla Fikri [spelling of name as received], secretary general of the Arab Art, Culture, and Information Association of Egypt, in a press statement said that those old men should have been sent back to their hometowns as POWs, but they were kept in prison for decades in South Korea. South Korea is, indeed, the worst land of human rights abuses in the world, noted the secretary general.

Takio Kamakura, chairman of the Saitama Prefectural People's Council for Japan-Korea Friendship and Solidarity, in a statement urged the South Korean "government" and Red Cross to send the unconverted long-term prisoners back to the northern half of Korea at an early date, adding that it is natural from the humanitarian point of view and may be an occasion in putting a period to the tragic division of the country.

The demand for the repatriation of the South Korean unconverted long-term prisoners to their hometowns was voiced by the Surinam Committee for Friendship and Solidarity With the Korean People in a letter addressed to the president of the International Committee of the Red Cross, the secretariat of the Mozambican Women's Organisation in a statement, the Japan-Korea Cultural Interchange Association in a letter of request sent to the president of the South Korean Red Cross and Hiroshi Nakagawa, chairman of the Central Committee of the League of Socialist Youth of Japan, in a statement issued to the press.

Paper Demands Japan Atone for 'Comfort Women'

*SK0701043695 Pyongyang KCNA in English 0426
GMT 7 Jan 95*

["Japan Must Atone For Her Past Crimes, Demands NODONG SINMUN"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 7 (KCNA)—The Japanese Government must quickly admit her responsibility under international law for the crimes in drafting "comfort women for the army," investigate the truth of the crimes and make public the results, punish those responsible and make adequate compensations in the name of the state, demands NODONG SINMUN today.

The crimes in the "comfort women" case were untold anti-ethical crimes in which the government and military of old Japan drafted under a state policy more than 200,000 Asian and European women, mainly Korean women, and made them victims of organized gang rapes by the "Imperial Army" and murdered most of them.

The analyst says:

This criminal case is still more grave because Japanese imperialism, representing medieval ferocity and modern craftiness, savagely trampled underfoot the dignity and honor of other countries and nations and the chastity of women and their lives under its policy of exterminating other nations, and thus seriously damaged the justice and morality of the international community and grossly violated international law.

In view of the laws of the international courts, these crimes were inhumane acts of taking away defenceless foreign women and enslaving them and murdering most of them under the policy of colonial looting and extermination of other nations.

The Japanese imperialists' crimes in the "comfort women for the army" case were heinous crimes of human rights abuses which are not extinguished by prescription under international law.

The period of prescription is not applied to the obligation under international law. The United Nations General Assembly, on November 26, 1968, adopted a convention on non-application of prescription to the war crimes and "crimes against humanitarianism."

Japan committed "crimes against humanitarianism" in view of international law. However, she has not taken any measure. The Japanese reactionaries even refuse to admit their obligation under international law and do not have the intention not to commit such crimes again.

The Japanese Government must bear responsibility for the crimes in the "comfort women" case, admitting that they were a violation of international law.

It is a demand of international law and an unavoidable obligation of Japan to punish those responsible for these crimes.

Government Compensation Urged for Comfort Women

SK0901120695 Pyongyang Korean Central
Broadcasting Network in Korean 1225 GMT 5 Jan 95

[Commentary by Kim Ho-sam: "They Cannot Solve Problems by Trickery"]

[FBIS Translated Text] The Japanese authorities are continuously trying to avoid what is right, playing a trick in resolving war-related issues.

According to a report by Japan's NHK Television, the Japanese Government has decided to actively resolve war-related issues. However, the content of its decision shows that no progress has been made when compared with the position of previous Japanese authorities. The Japanese Government announced that it has decided to establish a civilian fund for the compensation of former comfort women before the end of this year; to set up a 10-year peace, friendship, and exchange plan for supporting neighboring Asian countries' historical research; and to begin to carry out the plan this year.

The Japanese Government said that by implementing these projects it would enhance mutual understanding with many countries in the world and build new-stage friendly relations with neighboring Asian countries. As has already been reported, the present Japanese authorities announced a so-called prime minister's press statement on war-related issues on 31 August 1994.

In the prime minister's statement, the Japanese Government stressed that it would not make government-level compensation for each comfort woman, that it would reflect itself on the comfort women issue by promoting exchange programs with neighboring countries in the future, and that it would support former comfort women with a civilian fund.

The Japanese Government issued the prime minister's statement under the title "A 10-Year Peace, Friendship, and Exchange Plan." The Japanese Government's first proposal in the new year is no different from the prime minister's statement released by the Japanese authorities.

If the Japanese Government truly intends to actively resolve war-related issues this year, on the 50th anniversary of World War II, both nominally and virtually, it should make changes in its attitude and position on the issues. Without making any change in its position, however, Japan is idly talking that it will actively resolve the issues. Who believes its hypocritical statement?

The war-related compensation issue, including compensation for former comfort women, is a key issue in Japan liquidating the past, and being responsible for crimes it committed against many Asian countries, including our country. The Japanese authorities' position on this issue is a yardstick showing if Japan is truly reflective for its past crimes, and if it has an intent to clear them.

Nevertheless, the Japanese authorities have avoided, in various ways, to officially admit their past crimes and apologize and compensate for them. Outwardly, however, they are making sweet talk that it would actively settle war-related issues this year, on the 50th anniversary of the war. This shows that, although it outwardly

claims that it will make compensation for its war crimes, the Japanese Government has no intention to do so in fact.

The Japanese authorities are now trying to get away from this issue by establishing and subsidizing a small civilian fund this year.

In nature, the comfort women issue cannot be resolved in this way. As everyone knows, invoking its government, military, and state power, Japan took former comfort women by force to make them Japanese soldiers' sex slaves and slaughtered most of them.

There has never been such an antihuman crime in the history of mankind. This crime completely runs counter to the 1921 international agreement on prohibiting the sale of women and children that strictly prohibits the sales of woman and children under 21 [sentence as heard]. Most of the comfort women forced to become sex slaves by the Japanese imperialists were teen-age girls. This issue was discussed in-depth at recent international meetings, which unanimously denounced this as a grave crime committed by the country of Japan.

Despite this stark fact, the present Japanese authorities do not officially admit this and try to make a hasty conclusion of this issue with a civilian fund. We cannot help but regard this as shameless behavior. By doing so, Japan, which claims to be a law-governed country, has revealed its immorality and that it takes no regard of international law.

The Japanese authorities' refusal to admit their past crimes as national crimes plainly shows their attempt to commit such crimes again in the future. Japan's plan for historical research with Asian countries and its 10-year peace, friendship, exchange plan are all cunning tricks aimed at misleading public opinion at home and abroad and creating favorable conditions for obtaining permanent membership in the UN Security Council.

Unless Japan responsibly makes state-level compensation for former comfort women, the people of the world will further drive the Japanese Government to the dock [pigosok].

Paper: Japan To Continue Following 'Militarism'
OW0501100495 Pyongyang KCNA in English 0431 GMT 5 Jan 95

[**"MINJU CHOSON Accuses Japanese Authorities of Following in Footsteps of Militarism"**—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 5 (KCNA)—The Japanese authorities plan to hold functions including a "memorial service for the war dead" and a "ceremony to mark the 50th anniversary of the end of the war" on the occasion of August 15 this year.

MINJU CHOSON today denounces this as part of the systematic and well-planned schemes to incite militarism among the Japanese people and mobilize huge manpower and material resources without difficulty "in case of emergency."

This move of the Japanese authorities reveals their expansionist design to whitewash the blood-stained history of aggression, follow in the footsteps of militarism and run along the road to aggression and war, the news analyst says, and continues:

The Japanese reactionaries declared that they would invite neighbouring countries in Asia, the victims of the war, to those functions. This is a mockery of the peoples in this region, who condemn the criminal aggression of Japanese imperialism and demand an apology and adequate reparation for it.

Japan is coming out with a "programme of exchange for peace and friendship," "idea of non-governmental fund" and the like under the name of "settling the postwar compensation problem" on the occasion of August 15. Their ulterior intention is to lull the demand of the Japanese and other peoples for a proper postwar compensation and atonement for the past crimes.

If Japan follows in the footsteps of militarist aggression, far from drawing a lesson from the history of aggression and honestly making an apology and reparation, it will only facilitate its own destruction.

Korean 'Bulletin' Published in Switzerland
SK0901102295 Pyongyang KCNA in English 1009 GMT 9 Jan 95

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—The Swiss Committee for Supporting Korea's Reunification published the December 1994 issue of the bulletin "Korean Information."

The bulletin notes 1994 was the most painful year ever known in history for the Korean people. "Although President Kim Il-song passed away before the reunification of Korea, his greatest desire, was achieved, the Korean people will before long fulfil the historical task of reunifying the country independently and in a peaceful way under the leadership of Comrade Kim Chong-il," it says.

In an article headlined "Comrade Kim Il-song is Always Alive in Our Hearts" the bulletin says tens of thousands of people honor the memory of President Kim Il-song after laying wreaths and bouquets of flowers before his statues and portraits every day. "This shows that the Korean people are closely united around Comrade Kim Chong-il to continuously strengthen socialism and reunify the country at an early date, true to the behests of President Kim Il-song," it says.

The bulletin carries a summary of the famous work of the great leader Comrade Kim Chong-il "Socialism Is a Science", noting that Comrade Kim Chong-il in his

theory has greatly developed and enriched the immortal chuche idea fathered by Comrade Kim Il-song.

"Comrade Kim Chong-il gave comprehensive and correct answers and indicated the way to all the communist leaders, revolutionaries and the progressive people who do not understand well the cause of the frustration of socialism in Europe and the collapse of the former Soviet Union," it says.

Greetings Sent to Kim Chong-il From Overseas

*SK0901041395 Pyongyang KCNA in English 0407
GMT 9 Jan 95*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—The great leader Comrade Kim Chong-il received messages of greetings from foreign party leaders on the new year 1995.

The messages came from V. Tyulkin, first secretary of the Central Committee of the Communist Workers' Party of Russia; Victor Voichita, chairman of the Romanian Party for New Society; Otete Gaston Mboyo, national chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire; Stevan Mirkovic, president of the Central Committee of the League of Communists of Yugoslavia; G.K. Aldamzharov and P.V. Svoik, co-chairmen of the Socialist Party of Kazakhstan; and Man Mohan Adhikari, president, and Madhav Kumar Nepal, general secretary, of the Central Committee of the Nepal Communist Party (United Marxism-Leninism).

In the messages they extend warm congratulations to Comrade Kim Chong-il and wish him good health and a long life.

They express the conviction that the Korean people under the sagacious leadership of Comrade Kim Chong-il will make great achievements in their efforts for socialist construction and the peaceful reunification of the country in the new year, too.

Comrade Kim Chong-il also received a message of greetings from the Central Committee of the Romanian Communist Party on the new year.

More Greetings Sent to Kim

*SK0901053095 Pyongyang KCNA in English 0516
GMT 9 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 8 (KCNA)—The great leader Comrade Kim Chong-il received messages of greetings and congratulatory letters on the new year 1995 from Choe Hong-hui, president of the International Taekwondo Federation; U.S.-resident Korean Yim Chang-yong; Choe Kon-kuk, son of the late Choe Tok-sin; Yi Yong-pin, chairman of the Council of Christians Overseas for the Unification of the Country in Germany, and his wife; U.S.-resident Korean Chi

Chang-po; Choe Ki-hwan, chairman of the European Regional Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and the members of the headquarters; Yang Un-sik, permanent chairman of the U.S. headquarters of Pomminnyon; the Canadian Regional Headquarters of Pomminnyon; the Canadian Headquarters of the Council for the Promotion of the Peaceful Reunification of the Country; the Society of Korean Women in Canada for the Reunification of the Country; the Canadian Headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon); So In-yol, advisor to the Canadian Regional Headquarters of the North America-Korea Friendship Association; senior chairman of the headquarters Kim Tae-chong; Kang Min-chol, co-chairman of the headquarters, and its members; Kim Un-ha, co-chairman and secretary general of the North America-Korea Friendship Association; Cho Tae-song, chairman of the Washington Federation for the Reunification of the Country, and its members; Kim Chong-cha, director of the Chongum Tourist Company; the International Korean Association (Unity); Kang Radmir, chairman of the Korean Association (Unity) in Kazakhstan; Kwon Chon-sik, chairman of the Korean Committee for Supporting the Peaceful Reunification in Sakhalin, the Russian Federation; Yi Hwa-sop, a Korean residing in Sakhalin, Russian Federation; the family of Yang Kwidongnyo, a Korean residing in Kazakhstan; the headquarters of Koreans in China of Pomminnyon; Kim Su-yo, chief of the Tianjin Branch of the Zhongnan Area Association of the Headquarters of Koreans in China of Pomminnyon; the members of the Korean Taekwondo Club in Yanbian, China; and China-resident Korean Yi Kil-ho.

The messages and letters evince the resolution of Koreans overseas to devote their all to the cause of national reunification, the cherished desire of the nation, with the unshakable faith that the great leader President Kim Il-song is immediately the great leader Comrade Kim Chong-il and that we are sure to win, led by the respected supreme commander.

They wholeheartedly wish Comrade Kim Chong-il good health and long life.

Peruvian Group Sends Letter to Kim Chong-il

*OW0501070995 Pyongyang KCNA in English 0404
GMT 5 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 5 (KCNA)—A letter to the Great Leader Comrade Kim Chong-il was adopted at a joint national seminar of political parties, organizations and Chuche idea study groups of Peru on his famous work "Socialism Is a Science."

The letter says the work is a great ideological, theoretical and practical weapon which provides the world [words indistinct] a true socialism centered on man, the masses of the people.

The letter further says:

After making a deep study of the work, we decided to express the following view and position:

You were quite right, respected Comrade Marshal Kim Chong-il, when you formulated socialism as a science. You hit the nail on the head when you said the factor decisive of the destiny of the revolution is not found in objective conditions but in how the driving force of the revolution is strengthened and how its role is enhanced.

Socialism which you have systematized on a scientific basis is an anthropocentric socialism, a socialism centered on the popular masses.

The Great Leader President Kim Il-song and you Comrade Kim Chong-il are typical models of political leaders with deepest love for the people.

We believe that the Chuche-type Workers' Party of Korea will accomplish through generations the cause of socialism, the cause of Chuche started and guided by President Kim Il-song, by always shaping genuine politics for the people, benevolent politics, based on deep love for and trust in the popular masses.

In conclusion, the letter expresses the belief that the cause of world socialism under the wise guidance of Comrade Kim Chong-il will surely emerge victorious for its scientific accuracy and truth.

Kim Chong-il's Work Published as Booklet Abroad

*SK0901042095 Pyongyang KCNA in English 0416
GMT 9 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—A famous work of the great leader Comrade Kim Chong-il "Socialism Is a Science" was brought out in booklet by the Everest Publishing House in New Delhi, India, on January 1.

The book in its preface says:

Comrade Kim Chong-il, the supreme leader of the party and state of the Democratic People's Republic of Korea, who is making a great contribution to the strengthening and development of the international communist movement and the working-class movement, published the treatise "Socialism Is a Science" on November 1, 1994, and thus provided a solid theoretical and practical basis for the struggle of the people for socialism.

In the treatise Comrade Kim Chong-il said that socialism has been frustrated in a number of countries, but scientific socialism is as alive as ever in the minds of the people, and expressed the firm belief that socialism will without fail be revived and win ultimate victory.

With a view to helping the readers acquire a good knowledge of the outstanding idea of Comrade Kim

Chong-il on socialism and the advantages of the anthropocentric socialism that is making a long drive in Korea, we publish his new treatise "Socialism Is a Science" in Hindi.

The Samjana Publishing House of Nepal also brought out the work in booklet on the New Year 1995.

Kim Chong-il Sends Gift to University Professor *SK0901053495 Pyongyang KCNA in English 0520 GMT 9 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 8 (KCNA)—The great leader Comrade Kim Chong-il sent a gift to Academician, Prof. and Dr. Chon Yong-sik of Kim Il-song University.

The gift was conveyed to him at the university with a due ceremony on Saturday [7 January].

The speakers at the ceremony noted that Comrade Kim Chong-il on January 4 highly estimated the university associated with the exploits of the great leader President Kim Il-song for having done a lot of things and spoke meaningful words about the university and its teachers. His words and the gift carry his deep political trust in and expectation of Kim Il-song University as well as his deep loving care as a great man and kind father, who looks after the destinies of his revolutionary men and intellectuals in a responsible manner, they said.

They said everyone should make strenuous efforts to accomplish the revolutionary cause of chuche, closely united around Comrade Kim Chong-il, true to the behests of President Kim Il-song.

People Express Health Wishes for Kim Chong-il *SK0601152295 Pyongyang KCNA in English 1506 GMT 6 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 6 (KCNA)—The Koreans in the North, the South and overseas express their heartiest wishes for good health and a long life of the great leader Comrade Kim Chong-il. The great leader President Kim Il-song said:

"You cannot think of yourself and the socialist motherland apart from Comrade Kim Chong-il. His destiny is the destiny of yours and of the motherland."

Only when Comrade Kim Chong-il, who represents the destiny and future of all the Korean people, enjoys a long life in good health, can our country prosper and the accomplishment of the chuche cause of socialism be firmly guaranteed. This is an unshakable faith of the Korean people today.

Many people presented floral baskets to him on the New Year. Officials of the Chagang provincial rural economy committee made a basket of flowers of wild insam (ginseng) which were to bloom on the New Year's Day and a basket of flowers of 100 kinds of medicinal herbs,

saying they would pluck even stars from the sky if they were good for Comrade Kim Chong-il's long life in good health.

People from all walks of life write to him, wishing him good health and a long life. Among them are twice labour heroine Chong Chun-sil, director of the Chonchon County commercial management office in Chagang Province, who is a recipient of the order of Kim Il-song; 9-year-old Yang Kyong-hui, pupil of the Munhwa primary school in Pyongsong City; and old folks who received birthday tables from Comrade Kim Chong-il.

The working people in all sectors and units of the national economy are making innovations in economic construction, with the belief that when they delight and satisfy Comrade Kim Chong-il with their successful production, he will be in good health.

The South Korean people wish him longevity, deeply revering him as the great leader of the nation, the lodestar of national reunification and a brilliant general produced by heaven.

A gift presented by them is a carving of 350-year-old lime tree, on which they engraved a poem wishing him eternal youth along with the blue Lake Chon on Mt. Paektu.

An old man in Pyongchang County, South Korean Kangaon Province, asked his son to present General Kim Chong-il with a 100-year-old wild insam, carefully wrapped in moss, which he picked in a deep valley of Mt. Sorak in August last year.

Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), sent a letter and words of songs written by him to General Kim Chong-il. In the letter and the songs, he described the general as the source of the life of Chongnyon officials and Korean residents in Japan and wished him good health.

Choe Song-kyo, permanent advisory chairman of the [words indistinct] city branch of Chongnyon in [word indistinct] Prefecture, Japan and his wife, Yi Yong-tok, deputy director general of the Yanji Zhongyuan Experiment Company in Jilin Province, China, and many other overseas Koreans sent rare animals and plants to Comrade Kim Chong-il, wishing him joy and youth.

"Best Wishes," "Kim Chong-il, Our Heart," "Song Dedicated to Comrade Kim Chong-il," "Soldiers Answered," "How is He?" and other songs widely sung by people now reflect the unanimous determination of the Korean people to uphold him as the eternal sun of the cause of socialism.

Paper Highlights Kim Chong-il 'Famous Work'

*SK0701104195 Pyongyang KCNA in English 1008
GMT 7 Jan 95*

["Historic Work Indicating Keystone of Party Work"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 7 (KCNA)—NODONG SINMUN today dedicates a by-lined article to the 30th anniversary of the publication of the famous work of the great leader Comrade Kim Chong-il "Let Us Completely Turn Party Activity Into Work Among People" (January 8, 1965).

The Workers' Party of Korea was the first in the history of working-class party building to advance the unique idea that work among people is the keystone of party work and has energetically worked to realize it. [Words indistinct] the work of Comrade Kim Chong-il holds a very important place.

The work gives comprehensive answers to the theoretical and practical questions arising in converting the party work into work among people such as the question of party officials conducting the work among people always effectively, prudently and skillfully and the question of party officials assuming responsibility for the destiny of the people to the end with motherly affection.

For its validity and truth, the work has displayed great vitality in the past days in converting the party work into work among people and helping our party officials improve their working method and style.

All the party officials in Korea today pay their primary attention to the political integrity of the party members and working people and lead them to always glorify their political integrity. And the habit of directing deep attention to the peoples material and cultural life and devotedly working for improving the people's standard of living is displayed to a higher degree than ever before.

Peoples standard of living is steadily being enhanced and the advantages of Korean-style socialism are being brought into fuller play by the trustworthy party officials who assume responsibility for and take care of the destiny of the people with motherly affection.

Ceremony Unveils Inscription by Kim Il-song

*OW0501131095 Pyongyang KCNA in English 1024
GMT 5 Jan 95*

["Immortal Autographic Letters"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 5 (KCNA)—A ceremony of unveiling the hanging board bearing autographic letters of the Great Leader President Kim Il-song was held at Kim Hyong-chik University of Education in late December last year.

The hanging board reading "Kim Hyong-chik University of Education" was autographed by President Kim Il-song on July 5 last year, three days before he passed away, taking into consideration the ardent desire of the teachers and students of the university.

Kim Hyong-chik who devoted his whole life to the education of the rising generation and the struggle for the independence of the country was an outstanding leader

of the Korean national liberation movement and an indomitable anti-Japanese revolutionary fighter.

In recent years President Kim Il-song autographed the hanging boards of Kim Chaek University of Technology and Koryo Songgyungwan University, too.

Monumental edifices and historical sites in different areas of the country have his autographic letters.

Seen in the Revolutionary Martyrs' Cemetery on Chuchak Peak of Mt. Taesong, a scenic mountain in Pyongyang, are the following autographic letters of President Kim Il-song:

"The noble revolutionary spirit of the anti-Japanese revolutionary martyrs will always be kept in the memory of our party and people.

Kim Il-song October 10, 1985."

President Kim Il-song also dedicated the following autographic letters to the monument to the victory in the Fatherland Liberation War completed on the occasion of the 40th anniversary of the victory in the war (July 27, 1993):

"Immortal will be the heroic feats performed by our People's Army and people in defeating the imperialist allied forces and defending the freedom and independence of the country with honor in the Great Fatherland Liberation War by inheriting the tradition of the anti-Japanese revolution.

Kim Il-song July 27, 1993".

When the construction of the west sea barrage was completed, he wrote the following letters, highly praising the feats performed by soldiers:

"The west sea barrage is a great fruition of our people's revolutionary spirit of self-reliance and hard struggle.

Glory to the builders of the barrage!

Kim Il-song May 22, 1986."

"Lake Yonphung," "Lake Unpha," "Oknyu Bridge," "Yungna Bridge," "Sunchon Barrage," "Kumnung Tunnel," etc. were autographed by him when the construction of these monumental structures were completed.

His autographs are found also in Mt. Kumgang and Mt. Myohyang, scenic mountains of Korea, and other scenic spots.

Inscribed on a natural rock of the southeastern slope of Hyangno peak of Mt. Kumgang are his autographic letters "Mt. Kumgang is a scenic mountain famous in Korea and the world. Kim Il-song September 27, 1947."

The letters, each 13 metres high and nine metres wide and its stroke 1.6 metres thick, convey down through generations the benevolence of the great leader, who

turned the mountain into a recreation ground, a tourist resort for the working people.

Kim Il-song's Work on Ownership System Praised
SK0901110495 Pyongyang NODONG SINMUN in Korean 29 Nov 94 p 2

[Article by Kim Myong-i: "Programmatic Work That Elucidated A Correct Road in Turning Cooperative Ownership Into All-People Ownership"]

[FBIS Translated Text] The great leader Comrade Kim Il-song published a classical work "Some Problems Arising in Realizing The Rural Thesis" 20 years ago.

This immortal work, published by the great leader on 29 November 1974, is a programmatic document that has clearly elucidated the road to successful implementation of the work of turning cooperative ownership into all-people's ownership in rural villages. The work extensively elucidates the theoretical and practical problems arising in turning cooperative ownership into all-people's ownership in rural areas, including the problem of strengthening indoctrination in collectivism for farmers, the problem of mechanizing agricultural production at a higher level, and the problem of properly maintaining counties as bases for guidance to and management of rural areas.

The correctness of the work has been clearly proven by the development of our country's socialist rural economy of the past. Its driving force and vitality are also being vigorously demonstrated with each passing day.

The work has brought about, first, a fundamental change in the ideological and mental ethos of our agricultural working people.

The great leader Comrade Kim Il-song has taught: "...To turn cooperative ownership into all-people's ownership, it is imperative to strengthen the ideological revolution among farmers so as to constantly enhance the level of their ideological consciousness."

Constantly enhancing the level of farmers' ideological consciousness by vigorously waging the ideological revolution among them is a most important task that arises in socialist rural construction. Farmers are people directly in charge of agricultural production. They are the masters of rural areas. Therefore, the work of turning cooperative ownership into all-people's ownership can be successfully carried out only when ideological indoctrination is strengthened among farmers in order to constantly enhance the level of their ideological consciousness.

In the work the great leader stressed that since farmers' ideological consciousness has a decisive effect on agricultural production and the development of the collective economy, to turn the cooperative economy into

all-people's ownership it is imperative to solve, first, the problem of remolding farmers' ideology the communist way.

Leading cooperative farmers to firmly arm themselves with collectivist ideology, to treasure the interests of collectives and society more than the individual's interests, to clearly realize that in the interests of collectives and society lie their own shares, and, thus, to devotedly struggle for collectives and society is precisely the most important problem that should be solved without fail in the course of turning cooperative ownership into all-people's ownership.

As a result of the brilliant embodiment of the ideology and theory presented in the work, the ideological and mental features of agricultural working people have completely changed.

The ideological revolution has been vigorously carried out in rural areas, and the process of making farmers revolutionary and assimilating them into the working class has been actively accelerated in rural areas. As a result of this, a *chuche* strength has been incomparably strengthened in our rural community. Every one of our agricultural working people has been firmly armed with the great *chuche* idea and its embodiment—the party's line and policy. They think and act according to the demands of the *chuche* idea. They are firmly united around the party and the leader [*suryong*] ideologically, evolutionally, and morally.

Today's true appearance of our agricultural working people is that they are devoting their wisdom and energy to fulfilling the party's far-sighted socialist rural construction plan and to implementing the *chuche* farm method while helping and leading each other under the slogan "One for all, all for one."

Today, socialism takes its root in the hearts of our agricultural working people. Our agricultural working people's firm faith is that our party's *chuche* idea is the best and that the *chuche* farm method and our socialist rural economy system that has embodied the *chuche* idea are also the best. This firm faith is a noble success attained through the struggle to embody the ideology and theory expounded in the work.

The great vitality of the work has been clearly shown in the fact that the level of the mechanization of agriculture has increased by far and that the overall material and technological foundation of the rural economy has been firmly deepened.

Mechanizing agricultural production to a high level and firmly building the material and technological foundation of the rural economy is an important task that should be settled in turning cooperative ownership into all-people's ownership.

In his work the great leader [*widaehan suryong*] extensively elucidates detailed tasks and methods arising in developing agricultural production and firmly building

the material and technological foundation of the rural community, as well as the problem of supplying more farm machines to rural villages, the problem of properly doing land readjustment work, and the problem of doing all farm work on the strength of farm machines, agricultural chemicals, and electricity.

As a result of the agricultural working people's struggle, which has been carried out based on the ideology and theory presented in the work, the material and technological foundation of our rural villages today has changed its appearance completely. Thus, the tasks of the rural technological revolution have been successfully fulfilled, and the state's support for and investment in rural villages have increased annually. As a result, more of various types of modern farm machines, including tractors and trucks, have been produced and supplied to rural villages.

In this way, the comprehensive mechanization of the rural economy has reached the level where all farm work, ranging from plowing to threshing, are carried out with farm machines. Along with this, the successes attained from the already-realized introduction of irrigation systems and electrification have been further consolidated, many lockgates, including the Sohae lockgate, have been built in many districts, and a 2,000-ri [one ri equals 4 kilometers] waterway has been constructed in the west district. As a result of these successes, our agricultural production has been able to enter a firm stage that can achieve a high and stable harvest without faltering, even under drought or heavy rainfall.

Along with the introduction of irrigation systems and the mechanization in the rural economy, the mechanization and chemicalization of the rural economy have also been realized. As a result, the task of the rural technological revolution presented in the socialist rural thesis has been fundamentally completed. Agriculture has been industrialized and modernized on the strength of its own efforts. As a result, our farmers have been completely free from arduous work, and the material and technological foundation that can rapidly increase agricultural production has been firmly provided. Thus, all sectors of the rural economy, including grain production, are rapidly developing.

The great vitality of the work is also vigorously demonstrated in the fact that counties, the strong points in socialist rural construction, have been firmly built and that their role has been enhanced by far. In our country, counties are district strong points in socialist rural construction and play an important role.

The great leader elucidated the position and role of counties in socialist construction in his early days. Since then, he has concentrated great efforts on properly building counties and on constantly enhancing their role in socialist rural construction.

In the work, stressing that the county is the most suitable unit in guiding the rural economy in our country and

that it is, therefore, a basis to develop cooperative farms in the county in a balanced manner and, thus, to turn these cooperative farms into all-people's ownership with the county as a basic unit, the great leader taught that, to do so it is very important to more properly build counties and to enhance their role.

The work elucidates in detail not only the problem of further strengthening the work of the county party committee and the work of the county's cooperative farm management committee and the problem of strengthening the county's transport capability, firmly building tractor repair bases in the county, and developing local industries in the county, but also all principled problems and methods arising in firmly building the material and technological foundation of the county. In particular, our people's ideology on making active efforts to more properly build their counties with their own strength and under the principle of self-reliance is a valuable guideline that our functionaries, party members, and working people should always firmly grasp.

In our country today, counties play a great role in accelerating the overall socialist construction and rural construction of the country. The county's role as the district strong point for socialist construction has been extraordinarily enhanced, and party guidance and economic and technological guidance to rural areas have been strengthened rapidly. Party work in rural areas has been firmly turned into a work with men. As a result of this, the party's line and policy have penetrated deeply into farmer's lives, and farmers' support for and confidence in our party have been enhanced more than ever before. Thus, our party's socialist rural base has been firmly deepened.

With the improvement in the county cooperative farm management committee's material guarantee and technological guidance to the rural community, the *chuche* farm method has been thoroughly implemented, the scientification and modernization of agricultural production have been actively carried out, and the level of guidance and management to the rural economy have more closely approached the level of enterprise management in the sector of advanced industries.

In particular, there has been a struggle to properly build counties and to rapidly enhance the standard of the people's living through the display of the revolutionary spirit of self-reliance and fortitude, as in the Chonchon County Commercial Management Station and functionaries in Maengsan County. This struggle has been vigorously waged throughout the country. The material and technological foundation in all counties has been more firmly built, and the economic link between urban areas and rural areas and between industry and agriculture has become closer. Thus, our rural working people today are leading an affluent and civilized life, and the appearance of our socialist rural community is changing more beautifully with each passing day.

Today's proud realities of our rural community make us keenly feel the farsightedness and correctness of the ideology and theory expounded by the great leader in his work.

Indeed, the great leader's work is a classical work that has correctly elucidated a short cut to the final solution of our rural problems. It is also a precious teaching of the great leader that our party and people should continue to grasp.

All functionaries, party members, and agricultural working people should more deeply study and master the ideology reflected in the work and should thoroughly implement it. Thus, they should brilliantly realize the great leader's farsighted socialist, rural construction.

Services Commemorate Buddhist Anniversary Day
SK0801104195 Pyongyang KCNA in English 0817
GMT 8 Jan 95

[FBIS Transcribed Text] Pyongyang, January 8 (KCNA)—Services commemorating the day of Buddha's attainment of great wisdom were held at Buddhist temples in all parts of the Democratic People's Republic of Korea on January. Present there were clergymen of the Central Committee of the Korean Buddhist Federation and its provincial, city and county committees, monks of the temples and Buddhists.

Prior to the services, the participants reverentially paid tribute to the memory of the great leader President Kim Il-song. The participants heard sermons and speeches.

The preachers and speakers were unanimous in stressing that it is the first and foremost task in realizing the idea of "getting rid of the pain and attaining happiness" to put an end to territorial division and national split, remaining true to the intention of the great leader President Kim Il-song who devoted his all to the reunification of the country to the last moments of his life.

They held in unison that the country must be reunified by the confederacy formula in accordance with the three principles of national reunification and the 10-point programme of the great unity of the whole nation which were put forward by President Kim Il-song, and called upon all the fellow countrymen to actively turn out in the struggle to achieve reunification in the 1990, closely united around respected General Kim Chong-il. They bitterly denounced the anti-ethical acts of the Kim Young-sam group which, far from expressing condolences over the death of the great father of the nation, established a fascist "new security-oriented rule" on that occasion and attempted to do harm to the fellow countrymen in the North, hand in hand with outside forces.

They demanded that the Kim Yong-sam group abolish the anti-reunification "National Security Law" at once, pull down the concrete wall, symbol of division and confrontation, without delay, and immediately stop the bestial crackdown upon the democratic forces aspiring after reunification.

They emphasized that all the Buddhists in the North, the South and overseas should actively join the entire fellow countrymen in the torrential flow toward the accomplishment of the cause of national reunification this year in which falls the 50th anniversary of the country's liberation and make tangible contributions to it, thus fulfilling the (?mission) and duty of the Buddhists of the country for the times and history.

Display of Self-Reliant Economy Urged

SK0701124695 Pyongyang NODONG SINMUN in Korean 9 Dec 94 p 2

[Article by Ra Tong-chin: Self-Reliance is a Firm Guarantee To Implement the Party's Revolutionary Economic Strategy]

[FBIS Translated Text] One year has passed since the historic 21st plenary session of the Sixth Party Central Committee was held. The plenary session was an important meeting in providing a historic momentum for strengthening the country's economic foundation and greatly enhancing the people's life by thoroughly implementing the party's revolutionary economic strategy in conformity with the demand of the prevailing situation and our revolution's development.

Today, before us lies an honorable task of thoroughly implementing the party's revolutionary economic strategy by upholding the decisions of the 21st plenary meeting of the Sixth Party Central Committee. In order to triumphantly implement such tasks, all the people should highly display the revolutionary spirit of self-reliance.

The dear leader Comrade Kim Chong-il has pointed out: "Our party's revolutionary economic strategy can be said to be a strategy of self-reliance and fortitude. The revolutionary strategy of self-reliance and fortitude should be highly displayed. Therein lies a guarantee to triumphantly carry out a new economic strategy."

Highly displaying the revolutionary spirit of self-reliance and fortitude is a firm guarantee to victoriously implement our party's revolutionary economic strategy.

This is because, above all, highly displaying the revolutionary spirit of self-reliance is a fundamental guarantee to carrying out the demand of the party's revolutionary economic strategy on defending, adhering to, and adding luster to, the socialism of our own style by relying on its own strength.

Today, the imperialists and reactionaries are persistently perpetrating political, military pressure and economic embargo maneuvers to stifle our Republic, the fortress of socialism, and to crush socialism of our own style. Socialism has been frustrated in a number of countries and the world's socialist market has collapsed. Because of this, our country's foreign economic relations have fundamentally changed.

Under today's conditions in which the international climate for the socialist economic construction has fundamentally changed, building socialism with our own strength is an important issue concerned with our destiny and future.

Starting from the realistic demand of the socialist economic construction, our party's revolutionary economic strategy is a strategy to build and develop an economy that can live with its own strength under whatever circumstances. It is also a strategy to further enhance the people's standard of living by endlessly increasing the production and concentrating efforts on major economic sectors. Proceeding from this, our party has presented as important tasks to thoroughly implement the agriculture-first, light industry-first, and foreign trade-first policy and to give definite precedence to the coal industry, power industry, and rail transport, which must advance ahead of the other sectors of the national economy, during the period of adjustment. This is a revolutionary strategy that would enable us to shift the direction of the foreign trade and to effect upsurges in the country's economic development in conformity with the realistic demands of the changed atmosphere and our country's national economic development.

So as to vigorously expedite economic construction with our own strength in accordance with the demand of the party's revolutionary economic strategy, we must highly display the revolutionary spirit of self-reliance and fortitude.

Only when the functionaries and workers of all the economic sectors and units highly display the revolutionary spirit of self-reliance and fortitude and, thus, unconditionally and thoroughly carry out their facing revolutionary tasks with their own strength and technology, can they effect new upsurges in implementing the party's revolutionary economic strategy, consolidate the country's economic foundation as firm as a rock, and further glorify the popular masses-centered socialism of our own style.

Highly demonstrating the revolutionary spirit of self-reliance and fortitude is a firm guarantee that enables us to effect upsurges in socialist economic construction by making effective use of the solid foundations and productive potentiality of the self-reliant economy in conformity with the party's revolutionary economic strategy.

Today, the foundations and productive potentiality of the socialist self-reliant national economy, which have been prepared in our country, are firm and great. Our people have consistently implemented the lines of self-reliant national economic construction under the wise leadership of our party, thus building the strong heavy industry and the developed light industry on this land. The foundations of our socialist self-reliant economy have been all the more consolidated in the course of the struggle to carry out the third Seven-Year Plan. During this period, the chuche-orientation, modernization, and

scientification of the national economy have been vigorously pushed ahead and the productive capacity of the chuche industry has been greatly enhanced; the standard of technical equipment has been further elevated; and the structure of the industrial branches has been further equipped and its self-reliance and might have been further strengthened.

In order to effectively mobilize and utilize the foundations and productive potentiality of the mighty self-reliant economy to the maximum, the revolutionary spirit of self-reliance and fortitude should be highly displayed. During the past, we have triumphantly carried out economic construction, not with someone else's help, but by displaying the revolutionary spirit of self-reliance. In so doing, we have successfully implemented economic construction by mobilizing and utilizing the economic foundations and productive potentiality. However, in order to build and develop an economy that enables us to live by ourselves under today's condition in which an atmosphere at home and abroad has been greatly changed, we must mobilize and make effective use of the already-prepared economic foundations and productive potentiality to the maximum. For this, it is important for all sectors and all units of the national economy to highly display the revolutionary spirit of self-reliance and fortitude, thus tapping reserves for increased production and economy.

Only when the functionaries and workers produce what is lacking and find out what is needed with the revolutionary spirit of self-reliance and fortitude, can production be increased in a short time. In so doing, the solid foundations of the self-reliant national economy, which has been prepared in our country, can be more glorified and, on the basis on this, the country's economic might can be endlessly strengthened.

Highly displaying the revolutionary spirit of self-reliance and fortitude is also an important way to enhance the people's life by effecting upsurges in the development of agriculture, light industry, and foreign trade.

To achieve big innovations and upsurges in the development of agriculture, light industry, and foreign trade in conformity with the party's revolutionary economic strategy, it is important for the functionaries and workers to highly display the revolutionary ethos of responsibly carrying out their revolutionary tasks to the end.

The functionaries and workers should further strengthen the rural economy's material and technical foundations with the spirit of self-reliance and fortitude; should smoothly ensure the necessary conditions for the production of farming materials; should elevate the quality of and increase the number of people's consumer goods by further modernizing light industry; and should search for and mobilize more export sources in all directions. Then, great upsurges would be brought about in implementing the party's agriculture-first, light industry-first, and foreign

trade-first policy, and the party's line to enhance the people's life to a large extent would be brilliantly realized.

The exemplary deeds of the functionaries of the Chonchon Commercial Management Office and the functionaries in Maengsan County, who gave great happiness to the dear leader Comrade Kim Chong-il by achieving great feats in enhancing the people's life and managing their counties with the revolutionary spirit of self-reliance and fortitude clearly prove this. The experience tells us that when our functionaries and workers make effective use of given conditions and chances to a maximum with their own strength and highly displaying the revolutionary spirit of self-reliance and fortitude, the people's life can be greatly enhanced and the production will be endlessly increased in any place.

Bringing out epochal upswings in the struggle to promote the people's life in the shortest period by thoroughly implementing our party's revolutionary economic strategy is our party's firm will and resolution. Recently, the dear leader Comrade Kim Chong-il lays down lines to make a great advance in the struggle to enhance the people's life by searching out and mobilizing more export sources; increasing agricultural production; and enhancing the role of a county as regional unit and base. What is the essence of the vigorous struggle to enhance the people's life with a county as a unit while upholding the party's intentions and ideas, is that the functionaries cherish the endless loyalty toward the party and the spirit of self-sacrificing service for the people, and highly demonstrate the revolutionary spirit of self-reliance and fortitude. Only when the revolutionary spirit of self-reliance is high, can the region's inner reserves be mobilized and greater success be achieved in agriculture, the regional industry, and the production of export goods with our own strength. In so doing, we can enhance the life of residents of the county.

By upholding the decisions of the 21st plenary meeting of the Sixth Party Central Committee, all the functionaries, party members, and workers should further demonstrate the revolutionary spirit of self-reliance and fortitude in the struggle to carry out the party's revolutionary economic strategy. Thus, they should further glorify the first year of the adjustment period with proud victory.

Development of Building Materials Industry Noted

*SK0801083695 Pyongyang KCNA in English 0804
GMT 8 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 8 (KCNA)—January 8 is day of building-materials industry in Korea.

The working people in this sector are greeting their holiday with an upsurge in production, recollecting imperishable efforts made by the great leader President Kim Il-song for the development of the building-materials industry.

He devoted great efforts from long ago to the development of the nation's building-materials industry.

In the first days of the building of a new society after the liberation of the country, he clearly indicated the orientation of the building-materials industry and showed deep concern for its development in the period of postwar rehabilitation and construction and in the whole period of socialist construction.

On July 28, 1953, when the whole country was overflowing with joy at the victory in the war, he visited the Kangnam trickyard which is now the July 28 factory and, later, gave on-the-spot guidance to many factories in the building-materials domain.

"On some measures to develop the building-materials industry," speech of President Kim Il-song at a consultative meeting of officials of the building-materials industry held in January 1964, as served as the guideline for the development of this industry.

The building-materials industry of Korea has constantly developed to be a *chuche*-oriented industry dependent on domestic materials and fuel under his wise leadership.

The country which had no big cement factory before the liberation has now big cement producers including the modern-equipped Sunchon and Sangwon cement complexes with a capacity of millions of tons and more than 200 medium and small-size factories.

The annual cement output reached 13,500,000 tons in the late 1980.

There are calcium silicate brickyards in Anju, Hamhung, Hihyon and other areas and a large prefab parts factory and an aluminium sash factory in Pyongyang. They produce large quantities of building-materials.

Sheet glass, plastic, metal and chemical building materials, toilet ware, tile, lighting apparatus and other production bases have cropped up in different parts of the country.

The rapid development of the building-materials industry reliably guarantees grand socialist construction.

Capital construction was successfully carried on with the investment of tens of billions of won in the period of the third seven-year plan (1987-1993) so that more than 11,000 projects were completed in industrial domain. And over 3,200 educational, cultural and health establishments and service facilities and dwelling houses for upwards of one million families were built throughout the country.

Innovations in Production To Mark New Year Noted

SK0601223595 Pyongyang KCNA in English 1509 GMT 6 Jan 95

[FBIS Transcribed Text] Pyongyang, January 6 (KCNA)—The working people of Korea are effecting

innovation in production from the beginning of the new year in order to decorate with unprecedented achievements this year in which fall the 50th anniversaries of the foundation of the Workers' Party of Korea (October 10, 1945) and the country's liberation (August 15, 1945).

Entering the new year, the Komdok mining complex, leading nonferrous metal ore producer, is overfulfilling its daily plan by more than 26 percent.

The miners of the complex excavated over 300 more tons of [word indistinct] and zinc in terms of content on the first day of the new year than the daily average record at the end of last year.

The Sunchon cement complex is boosting its daily cement production by more than 50 percent over that at the end of last year.

The West Pyongyang locomotive corps is successfully carrying out its assignment in the spirit with which it carried freight on the first day of the new year 1.2 times as against the daily average transport records in January last year.

The Yongsong associated bureau of machine, the Chagangn provincial associated bureau of forestry, the Munpyong smelter, the Sariwon textile mill and many other industrial establishments are overfulfilling their production quotas from the first day of the new year.

Socialist Emulations Among Workers 'Expanding'

SK0701043795 Pyongyang KCNA in English 0420 GMT 7 Jan 95

[FBIS Transcribed Text] Pyongyang, January 7 (KCNA)—Socialist emulations are expanding among the working people in various domains of the national economy to powerfully accelerate the general march in the new year in single-hearted unity around the great leader of our party and our people Comrade Kim Chong-il.

The employees of the Pukchang Thermal Power Complex, the Pyongyang Songyo Garments Factory and the West Pyongyang Locomotive Corps held meetings to vow to effect a new turn in the implementation of the party's revolutionary economic strategy and revolutionary tasks this year in which falls the 50th anniversary of the foundation of the Workers' Party of Korea and challenged the workers engaged in power industry, the production of exports and railway transport to socialist emulations.

Resolutions were adopted and outlines of the socialist emulations were made public at the meetings.

'Proud Feats' at Pukchang Power Plant Noted

SK0901111695 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 8 Jan 95

[FBIS Translated Text] Overflowing with new faith and optimism, the electricity generating workers of the

Pukchang Thermoelectric Power Complex, a reliable, great power base of the country, are embroidering their first advance of the new year with proud feats.

In a talk with Kim Tok-hwan, a station reporter, Cho Chong-chol, deputy chief engineer for electricity generation of the complex, said:

[Begin Cho Chong-chol recording] The spirit of our electricity generating workers, who have vigorously turned out on the rewarding road of advance of the new year, is very high now.

Everybody is full of new faith and optimism to display the honor as a victor by all means in the meaningful battle of this year, which will mark the 50th anniversary of the party founding and of the fatherland's liberation.

Therefore, with high spirits already in their first battle of the new year, they are generating more than 300,000 kwh nowadays, compared with the end of last year. In particular, the workers and technicians at Nos. 4 and (?) Workshops, including Comrades Yi Sung-mu and Pak Kung-sik, who are workshop leaders, are operating all generators at full capacity and achieving great success in electricity generation nowadays, while deeply perceiving their duties in accomplishing the party's revolutionary economic strategy.

Trying not to fall behind them, the combatants in the [word indistinct] workshop and the fuel workshop, too, are standing in reliable defense of the first process of electricity generation.

They are vigorously waging the struggle to provide enough coal to the boiler division by increasing the utilization of the equipment in the fuel division and of the coal unloading facilities. As a result, they achieved the innovation of having provided 1.5 times as much coal as on the first day of the new year alone.

As the saying goes that a good beginning will bear good results, I think that such success enables us to already foresee the victory of this year. In the future, too, we will more vigorously wage the struggle to generate electricity by continuing to maintain high spirits. [end recording]

Changjagang Power Plant Workers Overfulfill Plans

SK0901095795 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 8 Jan 95

[FBIS Translated Text] The electricity generating workers of the Changjagang Power Plant are continuing to increase electricity generation with the spirit with which they overfulfilled the battle task for the first day of the new year.

They are vigorously waging the battle to generate electricity with the conspicuous honor and pride in living and working at a glorious work site where the traces of the leadership of the fatherly leader and the great leader [yongdoja] Comrade Kim Chong-il are evident. By

introducing new plans for technical innovations, they are achieving successes in overfulfilling daily plans by 1.5 times. As a result, they are better guaranteeing the increasing demand for electricity in the people's economy.

People Urged To Work as 'Men of the Great Leader'

SK0901043695 Pyongyang KCNA in English 0430
GMT 9 Jan 95

["NODONG SINMUN Calls Upon People To Work Hard as Men of the Great Leader Should"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 9 (KCNA)—For all people to work hard in one mind and one purpose to make our country more prosperous as soldiers and disciples of the great leader Comrade Kim Il-song should is the unshakable determination and will of the great leader of our party and people Comrade Kim Chong-il, says NODONG SINMUN in an editorial today.

It notes :

To work energetically to make our country more prosperous as men of the great leader should was the loyal oath made by our people while spending 1994 in tears of blood.

Ours are not a people who would forget the deep love and trust of the leader as he passed away, or depart from the road of revolution stared by the leader as time goes by.

"Let us all work hard in one mind and one purpose to make our country more prosperous as men of the great leader should!" This is a slogan of faith our people should uphold forever.

The brilliant title "man of the great leader" is more precious to our people than a thousand pieces of gold and dearer than any other title. We can enjoy a worthy life and win the victory of socialism when we deeply cherish this noble title and exalt it.

It is the bounden duty and obligation of our revolutionary soldiers to eternally glorify our country, the crystalization of the idea and leadership of the great leader Comrade Kim Il-song, as the socialist motherland of chuche shining with his august name.

All the officials, party members and other working people should vigorously advance in the firm belief that the great leader Comrade Kim Chong-il is immediately the fatherly leader and victory and glory are in store for them in achieving the prosperity of the country when they advance under the leadership of Comrade Kim Chong-il.

The precious life and greatest happiness of our revolutionary soldiers lies in living and struggling with the

unshakable faith and noble sense of obligation to share the destiny with the great leader Comrade Kim Chong-il, entrusting their destiny and future entirely to him.

In order to make a vigorous advance to make our country more prosperous as men and disciples of the great leader Comrade Kim Il-sung should, all the officials and working people must closely unite around the great leader Comrade Kim Chong-il in one mind and one purpose and carry into reality his far-reaching plan and intention in this land.

'Blood Ties' Strengthen Between Army, People

SK0701235695 Pyongyang KCNA in English 1506 GMT 7 Jan 95

[FBIS Transcribed Text] Pyongyang, January 7 (KCNA)—Blood ties between the Army and the people are growing stronger in Korea.

Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], recently extended thanks to the Kujang County Committee of the Workers' Party of Korea, the Yupyong Forestry Station, Yu Hye-Chin residing in Kangdok-ong no.- [as received], Ongpyong District, Chongjin, Yi Kwang-ok in Taepung-ri, Chongdan County, officer Han Yong-ho and other units of working people and servicemen who he fully displayed the traditional traits of army-people unity.

People in South Pyongan Province sited a KPA unit in December last year with more than 100,000 items of aid materials upon the lapse of three years since the great leader Comrade Kim Chong-il was elected supreme commander of the Korean People's Army.

In Nampho Municipality, officials of party and power bodies and administrative and economic organs, together with working people, called on soldiers with quantities of aid materials and boosted their morale, giving art performances and informing them of what was going on in the rear.

The medical workers of the Sukchon County People's Hospital gave [word indistinct] treatment with utmost care to a soldier who had been left in a critical condition by an accident on a military mission, so that he could return to his army post.

Many people are coming to the construction sites of Chongnyu Bridge (second stage) and Kumnung Tunnel No. 2 in Pyongyang every day from all parts of the country. Working with the soldiers they give material and moral support to them in their stupendous efforts to complete the projects by October 10 on which falls the 50th anniversary of the founding of the Workers' Party of Korea, true to the order of the supreme commander.

The soldiers of the People's Army love the people and readily devote their youth and lives to protecting their lives and property.

In November last year pilots of an Airforce unit saved seamen and fishermen in distress on the East Sea of Korea.

In August Kim Chang-hun who was a soldier of the Korean People's Security Forces died at the age of [word indistinct] after saving our school children who were drowning in the sea and their Oman teacher who plunged into the sea to rescue them. People's Army soldiers perform great feats at major construction sites of the country under the slogan "Let us take charge of both national defence and socialist construction!" They help workers and peasants in industrial establishments and cooperative farms and build up schools better in the areas they are stationed, thus cementing army-people unity.

A KPA unit recently sent more than 1,000 cubic metres of wooden props which had been secured by itself to the Hyongbong Coal Mine and sent hundreds of pieces of farming materials to Kwangchon Cooperative Farm, Eukchon County, with 35 discharged soldiers who volunteered to work at the farm.

There are "army-people field," "army-people reservoir," "army-people bridge," "army-people fish farm," etc. built by soldiers in different places of the country.

The traits of army-people unity brought into full play in our society fully demonstrate the advantages and vitality of our-style socialism in which all the people are united in one mind around comrade Kim Chong-il, great brilliant commander.

South Korea

'Two-Plus-Two' N-S Peace Strategy Discussed

SK0801054495 Seoul TONG-A ILBO in Korean 8 Jan 95 p 2

[FBIS Translated Text] On 7 January, the government decided to alter its strategy toward North Korea from the current strategy of concentrating on inter-Korean dialogue to a new strategy of converting the armistice agreement into a peace agreement based on a regional security regime.

The change in government policy is brought about because North Korea strongly rejects inter-Korean dialogue, and because the present armistice regime has been considerably paralyzed by the PRC's withdrawal from the Military Armistice Commission and by direct North Korean-U.S. negotiations for the repatriation of the U.S. helicopter pilot.

The method of conversion under consideration by the government is the two-plus-two method, in which North and South Korea, with the mediation of the United States and the PRC, sign a peace agreement, after which the United States and the PRC approve and sign the agreement themselves.

Concerning the resumption of inter-Korean dialogue, the government intends to take the initiative in proposing inter-Korean dialogue, abandoning its past attitude of passively clinging to the concept of inter-Korean dialogue. If North Korea is sincere in inter-Korean dialogue, the ROK will resume dialogue at any time.

The ROK's foreign policy and security-related ministries, such as the National Unification Board and Foreign Ministry, formulated this policy through prior discussions, and will report it to President Kim Yong-sam on 11 January.

A responsible official of the government stated: We cannot just cling to dialogue with North Korea. If direct dialogue with North Korea is difficult, we will consider the settlement of a peace agreement through dialogue with the countries concerned, such as the United States and the PRC.

The government official added: However, since North Korea rejects dialogue with us and is trying to sign a peace agreement with the United States, the active cooperation of the countries concerned—such as the United States and the PRC—is essential.

Council Meeting Held on Reactor, Peace System

SK0901113895 Seoul YONHAP in English 1129 GMT 9 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 9 (YONHAP)—The government on Monday decided to inaugurate the planned "light-water reactor project support corp." around Jan. 20 under the control of the unification-related ministers conference.

At the first unification and security coordination meeting after the sweeping cabinet reshuffle last month, the government resolved to handle programs related to support for North Korea's light-water reactors in detailed and meticulous plans inasmuch as "it would be an important project having effect on South-North relations in the next 10 years."

At the meeting, held at the Samchong-dong office of South-North dialogue, attendees shared the view that the North Korean situation still remains uncertain and that the South should positively embark on dialogue with the North as soon as Pyongyang's system gets straightened up.

The meeting, while attaching significance to the fact that the truce mechanism has been paralyzed due to direct U.S.-North Korea contacts on the recent helicopter incident, stressed that the military Armistice Agreement should be respected until the truce system is switched into a peace mechanism.

The attendees also reaffirmed that matters pending between the South and the North of Korea, including the question of instituting a peace system, should be settled always through discussions between the direct parties, South and North Korea.

The meeting, chaired by Deputy Prime Minister Kim Tok, was attended by Foreign Minister Kong No-myong, Defense Minister Yi Yang-ho, Agency for National Security Planning Director Kwon Yong-hae, chief presidential secretary Han Sung-su, and Yu Chong-ha, senior presidential secretary for foreign and national security.

Delegation Leaves for U.S. for KEDO Meeting

SK0701074895 Seoul YONHAP in English 0700 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—A South Korean Government delegation left for Washington Saturday afternoon to participate in the working-level meeting with the United States and Japan, which will be held in the U.S. capital from Monday to discuss the inauguration of the Korea Energy Development Organization (KEDO).

Headed by Director Pak In-kuk of Foreign Ministry's disarmament-atomic power division, the Korean delegation is scheduled to make an intensive discussion on adopting KEDO's inaugurating regulations with their counterparts from the United States and Japan.

Sources at the Foreign Ministry said that during the meeting, the Korean officials will reaffirm Seoul's basic stand that the South Korean model of light-water nuclear reactor should be elucidated in the KEDO inauguration regulations as well as the reactor supply contract to be reached between North Korea and the organization.

Assuming Cost of Heavy Oil for DPRK Opposed

SK0801095595 Seoul CHOSON ILBO in Korean 8 Jan 94 p 3

[Editorial: "Is the Heavy Oil Cost Being Charged to KEDO?"]

[FBIS Translated Text] Although the first shipment of 50,000 tonnes of heavy oil, which is being shipped to North Korea in accordance with the U.S.-North Korea Geneva agreement, will be paid for by the United States, there are signs that the second and third shipments will be charged to the Korea Energy Development Organization [KEDO]. This is a different story from what the ROK Foreign Ministry asserted when the U.S.-North Korea agreement was announced, that the ROK would not assume the cost of the heavy oil. It was understood that KEDO is a fund-raising organization for the construction of the light-water reactors to be provided to North Korea, and that a large share of the funds will be assumed by the ROK. If KEDO is to take over the cost of the heavy oil, the ROK would be assuming most of the cost.

According to the Geneva agreement, the United States was the one that guaranteed alternative energy to North Korea. If the United States only pays for the first shipment and charges the rest to KEDO, it would not be faithfully [songsirhan] implementing the agreement.

North Korea is to be provided with 100,000 tonnes of heavy oil by October 1995, and 500,000 tonnes by October 1996. This is a relatively small amount of money compared to the construction cost of light-water reactors. The United States should be denounced if it intends to take control of international nuclear activities by paying even a smaller share of the small amount.

Even though the U.S.-North Korea Geneva agreement promised the provision of light-water reactors to North Korea, it takes over 10 years to complete the reactors. Therefore, the reactors are rather symbolic and the alternative energy and the improvement of U.S.- North Korea relations are immediate concerns. In this regard, the heavy oil is significant in helping smooth the improvement of U.S.- North Korea relations. The ROK has no reason to pay any part of the cost through KEDO.

If the United States cannot pay, KEDO should not bear the cost of heavy oil even if it means that the Geneva agreement needs to be reconsidered. The ROK Government should make this point clear. President Kim Yong-sam reiterated at the 6 January news conference that the ROK's sharing of light-water reactor costs must be preceded by North-South dialogue. This means cooperation is possible when the basis is provided for the resolution of the root of the nuclear issue and peace in the Korean peninsula. Under the circumstances in which North-South reconciliation and exchanges and cooperation are uncertain, and when the ROK is still being slandered by the North as a "puppet" without sovereignty, what would the ROK look like if it provides North Korea with heavy oil?

Talks on DPRK Reactors Face 'Difficulties'

SK0901013295 Seoul HANGUK ILBO in Korean 9 Jan 95 p 1

[Report by Ko Tae-song]

[FBIS Translated Text] It was learned on 8 January that during talks between the ROK, the United States, and Japan to discuss supporting light-water reactors for North Korea, the United States tried to persuade [chongyong] our government to withdraw its demand for expressly stipulating the phrase "ROK-style light-water reactor," and Japan is attempting to shift the liabilities to be incurred in supporting light-water reactors onto our government. The result is the negotiations are experiencing difficulties.

Such demands by the United States and Japan directly counter the previous position of our government. Thus, the government's countermeasures and the results of the negotiations are attracting the people's attention.

A diplomatic source in Seoul stated: "The United States, concerned about North Korea's rejection of an ROK-style light-water reactor, is demanding our government not emphasize ROK-style light-water reactors during negotiations between the United States and North Korea."

Meanwhile, the United States is alleging it should have sufficient discretionary rights to conclude the North Korea-U.S. negotiations. It has been learned that these discretionary rights include the withholding of the so-called "right for access to the spot" to be retained by our side when deploying manpower and materials to the construction site of the light-water reactors in North Korea.

On the other hand, Japan, noting that its support for the construction of light-water reactors is in the form of credit, will lend financial support to our government, and will receive payments from our government.

However, our government adheres to the position that it will not accept the liabilities if North Korea defaults, and will not assume liability payments.

PRC Officials View Kim Chong-il's Succession

SK0801110295 Seoul SEOUL SINMUN in Korean 8 Jan 95 p 5

[By correspondent Yi Sok-u from Beijing]

[FBIS Translated Text] How does the PRC Government view the delay of Kim Chong-il's official power succession?

North Korea marked the new year without a president and a general secretary of the party, which is the core of power. The vacancy has lasted over six months since Kim Il-song's death on 8 July 1994. PRC officials of the CPC International Liaison Department and Foreign Ministry explain the delay of succession as follows: Being without a person in charge is more advantageous in diplomatic negotiations on relations with the United States and South Korea, which are the most significant pending issues for the North Korean regime; the delay is also a strategic preparation to maximize Kim Chong-il's influence and charisma among the general public.

The PRC officials believe that Kim Chong-il's reputation and influence is stable among the administration but not among the general public. The North Korean Administration assesses this as a negative factor in the stabilization of the establishment. North Korea intends to use positive achievements, including the improved relations with the United States—which are becoming more tangible—and with Western countries, and the subsequent economic recovery, as means to persuade the general public that Kim Chong-il's succession is justified. Then, with the general public's strong support, steps will be taken for the official succession.

PRC observers indicated that the North Korean Government intends to naturally transfer Kim Il-song's charisma to Kim Chong-il through such steps.

The view of PRC officials is based on the analysis that North Korea's power structure is currently very stable, and that there would be no significant obstacles for Kim Chong-il and the existing power circles to exercise power

even without the formal steps of succession. Even if the power succession is delayed for some additional time, Kim Chong-il and the administration have nothing to lose. On the contrary, if Kim Chong-il were to become the official leader, he would be burdened with South Korea's proposal for summit talks and other peace offensives, and with negotiations on normalizing relations with the United States and Japan. Their analysis is that the power succession will not take place without presenting to the general public a solution to economic failures, including the serious food shortage.

Relevant PRC officials indicated that North Korea would never expedite political exchanges and negotiations with South Korea before its relations with the United States become stable to a certain extent.

PRC officials anticipate that the timing of Kim Chong-il's succession to the presidency and the post of party general secretary will be after mid-1995, when North Korea-U.S. relations are on the right track. Regarding the main events of the Korean peninsula in 1995, they believe that North Korea-U.S. relations will progress in the later half of this year, followed by a green signal of the North Korean economy, and finally the official power succession. They anticipate that North Korea would show interest in improving North-South relations only after these events take place.

NSP Reports Defection of North Senior Sergeant
SK0701040495 Seoul CHOSON ILBO in Korean 7 Jan 95 p 30

[By Chong Ung-ki]

[FBIS Translated Text] The Agency for National Security Planning [NSP] announced on 6 January that a North Korean senior sergeant from an art instigation unit, Chong Song-san, entered Kimpo Airport via a third country in Southeast Asia and requested asylum. The agency is investigating his motive and course of defection.

Chong was in charge of creative works in his unit, including writing film scripts. He clandestinely listened to South Korean radio since 1992 and decided to defect after realizing the fictitious nature of the North Korean system. According to the agency's investigation, Chong's family in North Korea includes his parents, a brother, and a sister.

Uncertainty of North-South Business Deals Noted
SK0701141395 Seoul SEOUL SINMUN in Korean 7 Jan 95 p 2

[By reporter O Il-man]

[FBIS Translated Text] North Korea signs many unfeasible contracts with South Korean business companies. This is intended to insist South Korea hinders North-South economic cooperation and create conflicts

between ROK companies and the ROK Government, in case the ROK Government does not approve cooperation projects.

The fact that ROK companies, in a rush to beat other countries, make haste without doing substantive feasibility studies leads to them to sign many impractical contracts.

The ROK Government says it will apply strict rules to approving cooperation projects, stating unrealistic contracts will waste the national wealth. Therefore, a hide-and-seek game among North Korea, ROK business companies, and the ROK Government will continue.

The Koryo National Industrial Development Council, North Korea's window for North-South economic cooperation, is a partner with which South Korean companies insist they signed contracts. They reportedly sign cooperation contracts with North Korea, even though they know it is difficult for them to obtain approval from the ROK Government for those contracts.

The ROK Government announces it has not approved a single North-South economic cooperation project since the "8 November [1994] measure to invigorate North-South economic cooperation." However, over 20 companies insist they signed contracts with the Koryo National Industrial Development Council.

A good example is a real estate company with the initial K. The company recently announced it had won the right to lease office space at the Pyongyang Yugyong Hotel to other companies. This hotel has been left unfinished for five years, and, as a result, it is difficult to resume construction because of the corrosion of the structure and other matters.

A National Unification Board official said: "It is uncertain whether the hotel can be completed. However, North Korea says it will lease this building. In that sense, North Korea's motive is questionable. Excellent inexpensive office space is plentiful in Pyongyang. We do not know whether there are foreign companies that will pay \$270,000 for rent." In this way, he hinted the government cannot approve the contract.

Kilsang Medicine Corporation signed a contract with Mannyon General Public-Health Company, a company under Koryo National Industrial Development Council, to sell North Korean herb medicine on commission. However, the government thinks that Kilsang cannot afford to pay \$600,000 and that it is difficult for North Korea to provide land of 1.5 million pyong [one pyong equals 3.954 square yards].

Seven companies, including Jinro and Taechang, each signed an exclusive contract with the Koryo National Industrial Development Council to sell Sindok mineral water in the ROK but failed to obtain approval from the government. This is a typical example of North Korea's signing exclusive contracts with more than one ROK company.

Tongjin Maritime Transportation Corporation signed a contract with a Chinese counterpart and the Koryo National Industrial Development Council to operate ferry services between Tonghae of the ROK and Hunchun of China. The ferry services were supposed to be used for those touring Mt. Paektu. However, the Koryo National Industrial Development Council canceled the contract because of worsened North-South relations.

Cardinal Expresses Willingness To Visit DPRK

SK0801021495 Seoul YONHAP in English 0108 GMT 8 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 8 (YONHAP)—Stephen Cardinal Kim said on Sunday [8 January] that he would visit North Korea this year if it is helpful to unification of the Korean peninsula.

Kim said in a special interview with a Catholic newspaper here, "As this year marks the 50th year since the national liberation, I will visit North Korea if it is of help to reunification of South and North Korea."

He said that he recently received an invitation from Catholics in North Korea.

Kim added that he would visit North Korea anytime, if his visit helps North Korean Catholics.

"I hope that churches will also be able to give economic help to North Korea, in addition to their efforts through religion for inter-Korean exchange," Kim said.

This is the first time for the South Korean Catholic leader to express his willingness to visit the North.

U.S.-DPRK Arms Reduction Talks Discussed

SK0701061495 Seoul TONG-A ILBO in Korean 6 Jan 95 p 4

[By Kim Cha-su]

[FBIS Translated Text] There have been successive news reports foreshadowing changes in the security environment on the Korean peninsula, including the possibility of arms reduction negotiations between North Korea and the United States and the installment of a hot line between U.S. Forces in Korea and the North Korean People's Army. The U.S. Government is even hinting to the ROK Government that the United States may consider moving U.S. Forces from forward positions along the demarcation line to the rear.

The ROK Government is taking pains to investigate the truth and prepare countermeasures.

Relevant ROK Government officials explained that U.S. media reports on the possibility of North Korea-U.S. arms reduction negotiations and the installment of a hot line between U.S. and North Korean military authorities are not true. According to the government, the reports were mere speculation based on the clause "to maintain

proper military contact" as stipulated in the understanding between North Korea and the United States when the pilot of the downed helicopter was returned. Government officials assert the United States is not considering any of these.

Regarding the possibility of arms reduction talks, a government official stated: "The United States is well aware of the fact that North Korea's conventional weapons are as much a threat to the peace and security of the Korean peninsula as is nuclear weapons development."

The ROK Government believes the arms reduction issue could be considered as one measure to build mutual trust; however, at a time when the North Korean nuclear issue is not clearly resolved and North Korea still refuses North-South dialogue, the arms reduction issue is not likely to be discussed.

However, the government agrees it is very likely North Korea may raise the arms reduction issue to split the ROK and the United States, and thus diminish U.S. influence on the Korean peninsula. During stage one, North Korea may succeed in the arms reduction talks and in moving U.S. Forces in Korea to the rear; during stage two, Pyongyang will concentrate on an offensive to replace the armistice agreement with a peace agreement, and may demand the withdrawal of U.S. Forces.

The ROK Government should therefore strengthen cooperation with the United States concerning security issues. The government will reconfirm to the United States the ROK's position that issues concerning arms reduction and a peace agreement should be resolved by North and South Korea, the parties concerned.

As signs show the redeployment of U.S. Forces to the rear will soon become a pending issue between the ROK and the United States, the government is preparing relevant measures. The redeployment issue is emerging in U.S. public opinion, which is concerned about the security of U.S. troops overseas. Any recurrence of incidents similar to the U.S. Army helicopter crash, or any sudden development in North Korea-U.S. relations, will amplify those voices calling for redeployment, and the U.S. Administration will not be able to ignore them.

The ROK Government's policy is to convey the ROK stance to the United States that the redeployment issue should be considered in connection with measures aimed at arms reduction on the entire Korean peninsula and in building mutual trust; prior to that, the current status should be maintained.

North's Lifting Trade Ban on U.S. Goods Viewed

SK0901114595 Seoul YONHAP in English 1136 GMT 9 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 9 (YONHAP)—The reported plan of North Korea to lift the ban on the importation of U.S. goods effective around the middle of

this month, seems basically designed to reciprocate a similar move of the United States, a Seoul government official said Monday.

Washington intends to ease communications, trade and economic sanctions against North Korea before Jan. 21 under the Geneva U.S.- North Korea agreement.

"We believe the North Korean step is aimed at scaling down the ground of hardliners in the U.S. Congress and also at prompting the United States to implement the nuclear agreement smoothly," the official at the Foreign Ministry said.

Foreign dispatches had it that North Korea decided on Monday to lift the ban on the imports of American commodities and allow the sailing of American freighters into North Korean harbors starting mid-January.

The official noted that the lift would come around the time an oil tanker carrying the first shipment of heavy oil offered by the United States would reach a North Korean port.

Commenting also on the North Korean plan to invite some 10,000 foreign tourists to Pyongyang at the time of the international sports and cultural festival opening there on April 25, the official said the move is apparently to spotlight Kim Chong-il's rise to full power and further to reap an economic gain.

"North Korea may take the occasion of the festival to expand the air of mourning on Kim Il-song's death before and after his birthday of April 15 and formalize Kim Chong-il's succession to power," he added.

Reaction to U.S. Lifting North Trade Embargo

SK0801021895 Seoul THE KOREA TIMES in English
8 Jan 95 p 2

[By staff reporter Son Ke-yong]

[FBIS Transcribed Text] Washington's lifting of trade and communications embargoes against Pyongyang, expected no later than Jan. 21, will fall short of creating a landmark free exchange policy and remains a "symbolic" gesture, government officials here said.

The United States is obliged to announce its measure following a nuclear agreement in Geneva on Oct. 21 when they promised to move toward full normalization of political and economic relations.

According to the agreed framework, Washington and Pyongyang will "reduce barriers to trade and investment, including restrictions on telecommunications services and financial transactions" within three months after the date of agreement.

"Washington is expected to announce a phased lifting of restrictions on exchanges with North Korea. Therefore, we think that the imminent first-phase will be symbolic of things to come," a Foreign Ministry official said.

Washington has maintained a wide range of trade and financial restrictions against North Korea in accordance with its domestic laws. However, the effect of the trade embargo against the reclusive country's economy, based on self-reliance, was not significant.

The first-stage measure will likely include the lifting of restrictions on telephone calls between the United States and North Korea while allowing U.S. company representatives to travel to the North to study their market opportunities.

Officials said that there already exist telephone lines laid between them but Washington has banned calls heading for North Korea from the United States.

"Though Washington lifts restrictions on phone calls, there will be no significant growth in the number of phone calls because there have been almost no visible exchanges between the two countries in the past," Nuclear Amb. Kim Sam-hun said.

He added that the visit to the North Korea by American business delegation will bring no sizable outcome in trade between the two countries.

"American businessmen's trip to the North will begin out of curiosity about the little known country. Once they are in the North, they will be disenchanted with the reality of the desolate economic status in North Korea," he said.

Despite the negative view on U.S. North Korean economic relations, both countries are expected to get closer if the second- and third-phase lifting of restrictions including trade embargo are announced.

Currently, North Korea's assets in the United States are frozen and North Korean diplomats based at the United Nations in New York are banned from traveling long distances.

Officials aid that the first-phase lifting of restrictions will surely disappoint the North Korean leadership which has great expectations for the implementation of the Geneva agreement.

The New Year joint editorial of party, military and youth papers which is believed to reflect the Pyongyang regime's policy for the current year spoke highly of the Geneva agreement by calling it a cornerstone for the resolution of the nuclear controversy on the Korean peninsula.

U.S. officials have so far expressed satisfaction with the North's compliance with the nuclear agreement. But they must remain respectful to demands of the North to ensure its faithful implementation.

At an initial step, Washington will keep its promise by offering 50,000 tons of heavy oil to North Korea before the Jan. 21 deadline.

Seoul officials, meanwhile, are doubtful over the possibility on the resumption of inter-Korean dialogue will have to resume before Washington lifts major trade embargoes against Pyongyang.

Still, there is no visible sign of inter-Korean exchanges even though Washington and Pyongyang are expected to set up liaison offices in each other's capitals, probably in April.

A group of U.S. officials will soon visit Pyongyang to survey the site of their liaison offices and a reciprocal trip by North Korean officials will follow, officials said.

Another group of experts is expected to travel to the North to discuss the disposal of over 8,000 fuel rods discharged from the five-megawatt reactor and stored at a cooling pond, they added.

As all steps are interwoven and will be implemented on a reciprocal basis, they stressed that U.S.-North Korean relations should improve in harmony with inter-Korean relations.

Food Expiration Dates Change Due to U.S. Probe

SK0801025895 Seoul YONHAP in English 0239 GMT 8 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 8 (YONHAP)—The government decided to loosen its regulations on expiration-date of the food being circulated here including imported beef from the United States from April and plans to allow all the food makers to set their own expiration-date of the food within this year, officials said Sunday [8 January].

The government had originally planned to loosen its regulations on the food expiration-date from 1996, but decided to change the schedule due to the U.S. decision to launch a probe into the Korean poultry import practices in last November.

The Foreign Ministry plans to notify the U.S. side of the decision on Jan. 19-20, when South Korean and U.S. working-level officials will discuss bilateral trade issues in Washington.

In last November, the U.S. trade representatives [USTR], spurred by a petition by domestic poultry export groups, has begun a probe into South Korea's beef import practices, a process that will take 12 months before it decides whether to initiate retaliatory action.

After the USTR decision, the South Korean Government disclosed its plan to improve or revise unreasonable regulations or the regulations which are different from international customs.

A Foreign Ministry official said, "From this April, we plan to allow some food makers to set the expiration-date of their food on their own responsibilities. And according to the results, we can allow all the food makers to do that this year."

But the government plans to point out some unreasonable U.S. demands, which are different from international customs or which misunderstood the South Korean system, at the South Korean-U.S. trade talks.

U.S. 'Plans To Dispatch' Troops to South

SK0801021695 Seoul THE KOREA TIMES in English 8 Jan 95 p 3

[FBIS Transcribed Text] The United States plans to dispatch the majority of its armed forces to South Korea in case wars break out on the Korean peninsula and in the Middle East simultaneously.

The U.S. formula dubbed "win-and-win" strategy was contained in the Defense Planning Guidance, featuring, among other things, putting priority on the Korean peninsula over the Gulf region in time of military emergency, according to a Defense Ministry official.

According to the newly-prepared guidance based on eight possible overseas conflicts scenarios, the U.S. will provide South Korea with sufficient weapons and military manpower before diverting its military forces to the Gulf region if wars break out in the two regions at the same time.

So far, the U.S. has maintained the so-called "win-win" strategy, meant to achieve victories in both regions simultaneously.

The U.S. expects it will win the war on the Korean peninsula within three months, with efficient counterattacks in 14 days after the North launches a surprise attack against the South.

"This fact draws particular attention in that it means the U.S. considers the Korean peninsula to be more important than the Gulf region," the official said.

U.S. Expands Goal for Meat Exports to Seoul

SK0701063195 Seoul YONHAP in English 0508 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—Major meat-exporting countries such as the United States and Australia have expanded their export goals for South Korea this year, targeting 665 million U.S. dollars or a 30-percent increase over 1994 while planning active sales promotions, industry sources said.

The target was set in the judgement that supply would not meet demand in Korea.

The U.S. Meat Export Federation (USMEF) announced Saturday that it has fixed this year's beef exports for South Korea at 310 million dollars, up 22.5 percent from a year ago, the sources said.

Ranked No. 1 last year in the country's imported beef market, leaving Australia behind, the USMEF has formulated a strategy to win over South Korea's imported meat market via sales promotion.

Competing with the USMEF, the Australian Meat and Livestock Corporation also plans to reverse last year's export dullness by selling 136 million dollars in meat here this year.

The New Zealand Meat Corporation, which is shooting for 62 million dollars or a 22-percent rise over 1994, will even publish Korean-language purchase introduction booklets in March and strengthen services such as advice on technology and management.

Joining the fray, Canada hopes to ship some 7 million dollars' worth to Korea.

The four nations' projected export volume totals 146,400 tons, 23,000 tons more than the country's import quota of 123,000 tons.

In the case of pork, the United States hopes to export 14,947 tons (44 million dollars) and Denmark, which took up 78.1 percent of the country's imported pork market last year, is reportedly pushing for 30,000 tons.

This year's pork import amount is expected to reach 150 million dollars (50,000 tons). The volume is 2.3 times the government's import quota of 21,930 tons.

Samsung Signs Accord on Telecom Business in U.S.

SK0701004995 Seoul THE KOREA TIMES in English 7 Jan 95 p 16

[FBIS Transcribed Text] Samsung Electronics Co. has signed an agreement in San Jose, California, to purchase Integrated Telecom Technology, Inc. (IGT) of the United States for \$9 million to develop the next-generation switching systems, a company spokesman said yesterday.

IGT is a Maryland-based firm that specializes in asynchronous transfer mode (ATM) switching technology and related chip development.

As a result, Samsung will acquire ATM switch manufacturing technology, a core element for multimedia services and building of the information superhighway, the spokesman said. Two key patents in the ATM and the synchronous optical network (SONET) are included in the deal.

"ATM switching system is a key element in next-generation wide area networks (B-ISDN), offering a processing speed of 155 million bps (bits per second). With this operational speed a very large volume of data can be handled. For example, it will be easy to transmit HDTV images as fast as they appear on the screen," he said.

The technology can provide voice, image and character data services such as video on demand (VOD) and will help build the information superhighway, he noted.

IGT has already developed numerous key elements for ATM switches to make possible an "ATM solution" and is currently developing ATM switches and SONET elements, he said.

The U.S. firm also possesses an outstanding capability to assess the direction of the U.S. market and its patents in the ATM and SONET areas have provided it with a strong edge in developing the ATM field, he explained.

The company will be developed into a worldwide equipment sales network for Samsung as it has eight U.S. sales outlets and seven outside the United States, he said.

The information superhighway construction will be a 40-52 trillion dollars market world wide by the year 2015, including 20 trillion dollars in the United States by the year 2011 and 32.5 trillion yen in Japan, Samsung estimates.

OECD Accepts Seoul as Observer on Committee

SK0701030795 Seoul YONHAP in English 0107 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—The Organization for Economic Cooperation and Development (OECD) has officially informed the Seoul government that its Board of Directors decided to accept Korea as an observer to the OECD Committee on Financial Market, the Ministry of Foreign Affairs said Saturday.

The OECD delivered a letter to South Korea to that effect dated Dec. 20, 1994, according to the ministry.

The Committee on Financial Market examines measures to improve the operation of domestic as well as international money markets and studies the development of foreign exchange markets.

Observer status at the committee, which is considered pivotal in the OECD, carries importance in that Seoul can work toward full OECD membership by actively participating in the body's decision-making process and by enhancing understanding with other panel members, the ministry said.

The government, which hopes to become a full OECD member by the end of 1996, has so far joined 23 committees and institutes affiliated with the OECD, which has 26 committees and institutes.

Foreign Visa Extension Procedures Considered

SK0701031395 Seoul YONHAP in English 0222 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 6 (YONHAP)—The government is considering improving visa extension procedures for foreign residents so they can extend their visas without leaving the country.

Under the current procedures, foreigners residing in Korea who want to stay beyond their visa validity periods are required to leave the country.

Senior Presidential Secretary for Petition and Information Kim Yong-su told a meeting of senior presidential secretaries Saturday [7 January], "An improvement formula is being studied under which the visa validity period will be extended for foreign residents without their having to leave the country," Chief Presidential Spokesman Yun Yeo-chun said.

Administrative agencies involved including the Justice Ministry are expected to work out a specific formula to that end soon and implement it after revising pertinent regulations.

Firms 'Hopeful' of Joining London Stock Exchange

SK0701063095 Seoul YONHAP in English 0511 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—Daewoo Corp. and Pohang Iron and Steel Co. (Posco) are hopeful of becoming the first Korean firms to be listed on the London Stock Exchange (LSE).

Daewoo has decided to list shares worth 70 million U.S. dollars, the amount allotted by the government for overseas stock issuance in the fourth quarter this year, and is pushing for listing along with its affiliate Daewoo Securities Co. (DSC).

A DSC official said Saturday: "We are sounding out the LSE on the possibility of our being listed. If there is a favorable response, we will formally submit a listing application. We expect all procedures can be finished in the first quarter."

In a public announcement at the Korea Stock Exchange Saturday, Posco said, "we are studying listing our stocks on the London Stock Exchange, but the details are yet to be fixed."

"In order to obtain the capital to purchase facilities, we decided to list depositary receipts on the LSE," a Posco official said.

"But the volume is yet to be decided and the applying volume will be fixed after considering the approval limit of the government's overseas stock issuance," the official explained.

Kim Yong-sam New Year's Policy Statement Viewed

SK0701030895 Seoul YONHAP in English 0215 GMT 7 Jan 95

[By Yi Tong-min]

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—President Kim Yong-sam substantiated his vision of globalized diplomacy with three points in his New Year press conference Friday [6 January] that reflect a new perception of his country and its relationship with the international community.

One of the key points concerns seeking a new status for South Korea in world affairs. Behind this endeavor is the judgment that Seoul no longer has to compete with North Korea.

South Korea has new responsibilities and possibilities as the world's 13th largest trading nation which hopes to soon rub shoulders with advanced countries.

Bids to have a South Korean become the first director-general of the World Trade Organization (WTO) and to gain a non-permanent seat on the U.N. Security Council are among the visible efforts to attain such new status.

President Kim Yong-sam enumerated specific examples—more active participation in U.N. peacekeeping operations, more aid to developing nations and thorough preparation to join the Organization for Economic Cooperation and Development (OECD)—to be recognized as an advanced nation.

The second point involves maintaining traditional alliances while expanding new ties, accenting continuity rather than adaptation to new conditions and variables, mainly North Korea.

"There is no need for a special change in our foreign policy as a result of the U.S.-North Korea nuclear agreement," President Kim told the press conference.

"We will pursue our foreign policy with consistency," he asserted.

Indeed, Northeast Asia is about to be recolored following the U.S.-North Korea nuclear accord.

Seoul can expect to see Pyongyang and Washington and Pyongyang and Tokyo edge closer while the North tries to establish a new regime under Kim Chong-il.

It's true that post-Cold War winds are blowing in Northeast Asia. But Kim believes that Seoul's traditional alliance with Japan and the United States cannot change: In fact it has to be even more solid to cope with the changes.

In expanding diplomatic horizons, the president holds the line there, too, by accenting China and Russia to strengthen Seoul's foothold in the region.

The third point constitutes Kim's emphasis on inter-Korean reconciliation and cooperation.

"As long as the South and the North remain divided and continue to confront each other with antagonism, we cannot expect to find our proper role and position in the world," Kim told the press conference. "In this context, national unification is both the end and the means of globalization."

Kim admits that Seoul will be passive since it is Pyongyang which must take the initiative.

"It (North Korea) needs to voluntarily open itself and ultimately tread the path of democracy if it is to end its isolation and economic stagnation," said Kim.

New Foreign Minister Kong No-myong, appointed last month, talked about an "all-weather diplomacy" in describing globalized diplomacy. This all-weather diplomacy means that South Korea will have much more to deal with and bear.

Dailies Assess New Year Policy

SK0701075495

[FBIS Editorial Report] The following is a compilation of editorials and articles published in ROK vernacular dailies on 7 January on the new year's policy statement given by ROK President Kim Yong-sam on 6 January.

The conservative CHOSON ILBO carries on page 4 a 700-word article by reporter Ku Song-chae which points out that President Kim chose to adhere to a North Korea policy which is to be carried out from the "framework of globalization." The article says concrete measures for such a policy are currently being provided at relevant ministries including the Board of National Unification. The article continues to say that President Kim's remark regarding South-North relations may also mean that political matters will be separated from economic matters. The article says that it also gives the impression that "a more prudent and practical approach is being taken on the policy toward North Korea." The article concludes by touching on the fact that a complete succession of power has not been achieved in North Korea yet and that various South-North problems must be dealt with once Kim Chong-il's system sets sail.

The moderate HANGUK ILBO carries on page 3 a 1,200-word article by reporter Sin Chae-min on the significance of President Kim's policy statement. Noting that "globalization" had been set as the policy goal for state affairs for the year, the article points out that this is not limited to the year, but that it is a "mid and long-term vision." The article then touches on President Kim's determination for the upcoming local autonomy elections to be held in a fair and clean manner; for his economic goals; and for the issue of South-North relations. The article points out that although President Kim's remarks about the status of the Democratic Liberal Party's [DLP] leadership system and Kim Chong-pil's situation attracted the most attention, he managed to avoid making any direct remarks regarding this matter.

The pro-government SEOUL SINMUN carries on page 3 a 1,200-word article by Kim Yong-il on the significance of President Kim's policy statement. The article says that while President Kim's statement appears rather ordinary, reading between the lines, it can be summed up into six goals—globalization, administrative decentralization, a healthy economy, securing of safety in people's lives, practical progress in inter-Korean affairs, and

globalization diplomacy. The article then summarizes the contents of President Kim's news conference regarding these goals.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "Politics and Political Party Must Be Changed Greatly." Noting President Kim's policy goals for the year, the article explains why globalization and political reform need to be carried out. It then notes that fair and clear local autonomy elections must be carried out. The editorial concludes that the direction of political reform must be based on democracy and that the DLP must set the example in carrying this out.

The left-leaning HANGYORE SINMUN on page 3 carries an 800-word editorial entitled "Raging Political Waves Covered by 'Globalization.'" The article starts off by saying that "globalization" is too abstract for the people, and says that a more concrete, practical, and persuasive policy must be promoted to realize "globalization." The editorial then writes that President Kim's policy statement forecasts a "political storm" in view of the the various political activities this year. The editorial then touches on the economic aspects of President Kim's statement in which he revealed that a real-name property system will be enacted this year. The editorial concludes by saying that time for question-answer period between President Kim and reporters was too short.

The left-leaning HANGYORE SINMUN on page 3 also carries a 600-word editorial entitled "Need To Seek More Active Policy Toward the North." The editorial notes that no concrete measures were put forth in improving relations with North Korea in President Kim's policy statement. The editorial hopes that the president will unfold a policy which is active so that practical progress can be made in South-North relations. It concludes by saying that President Kim must change its strong-conservative view on North Korea to achieve this.

Poll Taken on News Conference

SK0901124895 Seoul CHUNGANG ILBO in Korean 7 Jan 95 pp 1, 3

[Report by Kim Haeng]

[FBIS Translated Text] During President Kim's New Year news conference on 6 January, he made public that he would soon implement "the real-name real estate transaction system."

A majority of citizens across the country expressed approval. There are differences, however, regarding several political promises President Kim made during the press conference.

Putting forth "new grand politics of integration," President Kim strongly hinted that he would increase competitive power in the field of politics. An absolute majority of citizens feel now is the time to implement a

wholesale-scale restructuring of the political sector, including a shift in generations.

The CHUNGANG ILBO survey team conducted a poll of 1,017 citizens across the country via telephone immediately after President Kim's 6 January press conference. According to the results of this survey, more than 80 percent of the respondents approved of the implementation of "the real-name real estate transaction system."

A mere 1 percent of those polled objected to the idea, saying that such a system would run counter to the principle of freedom of contracts.

In detail, the majority of the respondents (40.6 percent) regarded the real-name real estate transaction system as the most impressive part of the presidential news conference. In contrast, 20.3 percent of those polled cited globalization as the most impressive, while 17.7 percent cited stabilization of commodity prices as the most impressive. The following are respondents' reactions to various issues to which they gave their highest marks: the implementation of the elections of local autonomous governments (4.8 percent); South-North cooperation (4.8 percent); the improvement of relations between the ruling and opposition parties (4.1 percent); the acceleration of political and administrative reforms (3.0 percent); selection of qualified and competent people for public office (1.8 percent); the increase of competitive power in the government and economic fields (1.5 percent); reform of the Democratic Liberal Party [DLP] (1.1 percent); and the opening of the era of local autonomy (0.4 percent).

Throughout the press conference, President Kim made several promises to the citizens, one of which was to stabilize real estate prices. The percentages of those who thought President Kim would keep his promise and those who thought otherwise were nearly the same. As for the president's will to stabilize this year's prices below 5 percent, those who had skeptical views surpassed those who had optimistic views by a ratio of about two to one. In contrast, those with optimistic views surpassed those with skeptical views by a ratio of two to one regarding the president's promise to ensure that the upcoming June elections for local autonomous governments are conducted in a clean and fair way by banishing those who have won elections through irregular means from public posts forever, thereby strongly hinting of a revolution in the elections. In the latest press conference, President Kim urged the DLP to conduct reforms in conformity with citizens' aspirations. As a result, the question of DLP reforms and of the restructuring of the political sector has become the focus of public attention.

The DLP has been fleshing out its idea to renovate the party in such a way as to change its party name. A slight majority of 55.3 percent of the respondents felt that the DLP's work to be reborn as the central party of the globalization would proceed well, while 43.1 percent felt that such work would not go well. This shows that

citizens understand that it is difficult to carry out reforms, whereas admitting at the same time that it is necessary to effect a change in a political party.

The absolute majority of respondents (90.8 percent) felt that it is necessary to implement a wholesale-scale restructuring of the political sector, including a shift in generations to effect a change in the DLP and realize "a new politics of integration," which will guide globalization.

Results of the poll indicated that many citizens wish to see a generational change in the political sector. This means that citizens approve the honorary retirement to the backseat of DLP Chairman Kim Chong-pil. In the meantime, 22.0 percent of the respondents felt that Chairman Kim's retirement to the backseat is not desirable because this would mean President Kim would break faith with him. The deviations between the ratios of these two groups—those who approved his retirement and those who disapproved—are large by region. It is interesting to note that, comparatively speaking, more people in North Kyongsang Province than in Chungchong Provinces regarded his retirement as undesirable: 74.4 percent in Chungchong Provinces regarded his retirement as desirable, while 23.3 percent regarded it as undesirable; 64.5 percent in North Kyongsang Province regarded his retirement as desirable, while 31.2 percent regarded it as undesirable.

With regard to President Kim's response to a question on the few officials from Cholla Province appointed to the ministerial posts in the latest cabinet reshuffle, a majority of citizens (63.9 percent) supported the president's answer that the reshuffle of government personnel should be conducted with priority given to personal qualifications and competence. In case of those in Cholla Province, a majority of citizens (55.4 percent) felt that it is necessary to consider regional proportional distribution in personnel reshuffles, while 41.3 percent were opposed to the idea of regional proportional distribution. This shows that citizens of Cholla Province feel a sense of comparative deprivation.

President's Attitude Toward Press Criticized

*SK0901085695 Seoul HANGYORE SINMUN in Korean
8 Jan 95 p 3*

[Editorial: "The President's Outlook Toward the Press"]

[FBIS Translated Text] President Kim Yong-sam's outlook toward the press, which he revealed during his news conference, has caused us concern. While explaining his relations with opposition parties, he stated: "Frankly speaking, there is too much freedom of the press nowadays. Do you not write freely whatever you want? Even after an incorrect report is made, there is no attempt to rectify it." Furthermore, as the issue of prices was raised, he said that "since the press reported over and over again that prices are increasing, prices have actually increased due to the psychological influence of the press," thus

showing his discontent. The president's two short remarks contain a very important problem we should not overlook.

First, we can hardly agree with the president's view that the press today enjoys too much freedom. The press, in general, is still attempting to read the faces of those in power, and to avoid criticism of the central part of power. What is also serious is the people's speculation that those in power are in collusion with some reporters. For example, the government has not publicized the results of its investigations into tax payments of the press. This also evokes unfavorable speculation of the people.

Second, reporters cannot help but feel insulted by the president's phrase: "Reporters can write freely in any manner whatever they want." This is not an appropriate expression for the president. The same logic follows that when journalists criticize the erroneous policy of the president, they do not write that "the president is carrying out politics freely in any manner."

Third, the president said that even after the press makes a false report, it does not rectify the report. If this is true, the president can demand a correction by following appropriate procedures. This is a very natural occurrence between a civilian government and a free and independent press. Publicly expressing complaints before the people cannot be regarded as a sincere attitude.

Fourth, the president's claim that the reason for price increases is due to the psychological influence by the press is not reasonable. The press reports price increases, but also reports decreases in prices. If those in power make issue of the press reporting facts, it is an act that diminishes the existence of the press.

The basic problem in President Kim's outlook toward the press is that he may view the press as a means of power. Otherwise, how can he openly reveal his attitude of diminishing the essential functions of the press? If the president is truly concerned about the reality of the press, he should not merely complain about unessential [chiyopchogin] problems of the press, but should provide direction for reform of the press, and should rise, with the people, in eradicating essential and structural irregularities of the press.

DLP Decides To Assess Regulations, Leadership

SK0701053695 Seoul YONHAP in English 0439 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—The ruling Democratic Liberal Party (DLP) has decided to work out a major framework for its constitution and regulations by Jan. 14 after studying a leadership change, a senior DLP official said Saturday.

As President Kim Yong-sam proposed a direction for the party's globalization and political reform at his press

conference Friday, senior DLP officials will meet to work out the framework by late next week and a draft revision of principles and policies by Jan. 18.

An expanded session of party officials is slated for Jan. 9 and the executive committee will meet Jan. 11 to collect opinions on reorganizing the party leadership and hear from academics.

Vice Spokesman Son Hak-kyu quoted Secretary-General Mun Chung-su as saying that he would heed the advice of experts and collect questionnaires on the party reorganization from district chapter chairmen by next week's end to decide the framework.

But Chairman Kim Chong-pil emphasized that the DLP needs to listen to views inside the party before seeking outside opinions.

Key DLP officials are pushing to scrap the chairman's post in favor of a vice president and party speaker. The move might be designed to remove Kim from the party leadership, according to party sources.

Chairman Kim and his faction are resisting the move, however, predicting conflict over the party leadership revamp.

Kim Chong-pil Intends Not To Resign From DLP

SK0901014395 Seoul YONHAP in English 0125 GMT 9 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 9 (YONHAP)—Ruling Democratic Liberal Party (DLP) Chairman Kim Chong-pil made it clear Monday [9 January] that he has no intention of retiring from politics.

"Though lots of talk is going on about my future course of action, one thing is certain: I'll remain a lawmaker until the 15th general elections are completed next year," he vowed.

Kim has come under heavy pressure to leave his post from the democratic faction loyal to President Kim Yong-sam. The president himself insinuated the chairman's ouster in his new year's press conference last Friday.

Chairman Kim told reporters at his Chonggu-tong residence in central Seoul, "I myself have already made up my mind as to what to do, but I'm not making it public because there are things to be watched further." This suggested that he would determine his course of action following his weekly get-together with the chief executive Thursday.

Kim earlier told KBS Radio in a telephone interview: "I haven't received any word from Chongwadae [presidential offices] on the regular meeting... Whatever the media and political arena may say, I'll go my way."

He told the reporters: "Now is the time for political parties and politicians to change their perceptions and lay the ground for representative government. Before

calling for globalization, the politicians should reflect on themselves and remedy parliamentary politics."

Fate Reportedly 'Uncertain'

SK0701031495 Seoul YONHAP in English 0248 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—Ruling Party Chairman Kim Chong-pil exuded cheerfulness on the morning of his 70th birthday Saturday [7 January] as well-wishers and flowers flowed in.

The well-wishers included President Kim Yong-sam, former Presidents Choe Kyu-ha and Chon Tu-hwan, ex-House Speaker Kim Chae-son and National Security Planning Chief Kwon Yong-hae, all of whom sent flowers.

His birthday this year is not terribly happy for the seasoned politician, whose political fate remains uncertain. President Kim Yong-sam just a day ago strongly insinuated he would be ousted from the party.

Ironically, Kim shares his birthday month with President Kim and retired opposition leader Kim Tae-chung. He reacted with a touch of black humor when Party Deputy Spokesman Son Hak-kyu reminded him of this fact, shooting back, "Are you talking about the 'three Kims?'"

Obviously referring to President Kim's vague stance on his fate, Kim quickly added, "People are talking in such a roundabout way. They should really be straightforward."

One of his close aides said Kim flatly refused to comment on his future when asked by his well-wishers, replying that even he doesn't know what's going on.

Coincidentally, Kim shares the same birth date with his mother and mother-in-law.

On the bright side, he can be sure he will never starve to death since there is an old adage that people with different surnames but the same birthdays never die of hunger.

DLP Considers Competition To Select Candidates

SK0701090395 Seoul YONHAP in English 0807 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—The ruling Democratic Liberal Party (DLP) is positively considering an open competition for selecting its candidates running for the posts of the provincial governors and mayors of the country's six major cities including Seoul in the forthcoming local elections slated for June.

Rep. Paek Nam-chi, director of DLP Planning and Coordination Office, said on Saturday the selection of party candidates through open contest is necessary to

activate the ruling party, adding the issue is being intensively discussed at the DLP preparatory committee for national convention.

He told reporters the party is also considering the same style of open competition among party members for the chief posts of the DLP's local chapters across the country.

Referring to the adverse effects involving the open contest, he said "There will be no big problem if the party would provide thoroughgoing devices such as the establishment of an election management-inspection committee."

However, quite a few party members are opposed to the introduction of the contest on the grounds that if the defeated candidates would not surrender and resist, it will surely exert a baneful influence on the party in the elections.

DP's Factions Seek Compromise for Convention

SK0701125495 Seoul YONHAP in English 1137 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—Major factions of the opposition Democratic Party (DP) are seeking compromise, under persuasion of DP's "godfather" Kim Tae-chung, for an early settlement of intra-party feud over when to hold its national convention to realign a new party leadership.

DP Chairman Yi Ki-taek's camp has been demanding for the convention's early convocation while the largest faction "Tongkyo-tong" insisting on the big event after the nation-wide local elections slated for June.

Kim, chairman of the Peace Foundation for Asia-Pacific Region, met on Saturday with Kim Chong-kil, former DP's supreme member affiliated with Yi faction, and Rep. Han Kwang-ok, currently party's supreme member belonging to Tongkyo-tong camp, at his home in Tongkyo-tong, Seoul and asked them to solve their problems involving the national convention through dialogue.

Meanwhile, DP Chairman Yi's camp has consistently demanded that the party national convention be held in February to elect a new party leadership system.

On the other hand, Tongkyo-tong faction insists the convention, if held in February, should be an occasion pledging party unity to win the forthcoming local elections for autonomy governments while selecting Yi as the DP's election strategy committee chairman.

Other factions of the party are prepared to make behind-the-scene contacts over the weekend to narrow intra-party differences over the national convention and future party leadership.

However, DP advisor Kim Sang-hyon, a non-mainstreamer, disclosed he will start a campaign starting

Tuesday to collect signature from the party delegates to push for an early national convention.

Finance Minister Discusses New Year's Plan

SK0701064995 Seoul MAEIL KYONGJE SINMUN in Korean 4 Jan 95 p 5

[Interview with Hong Chae-hyong, deputy prime minister and minister of finance and economy, by correspondents Kim Se-hyong and Kim Pong-kuk—date and place not given]

[FBIS Translated Text] [Unidentified correspondent] People point out that they are worried about "overheating" in the economy, including an economic growth rate estimated at more than 9 percent during the fourth-quarter of last year. What is your view on the present economic activities?

[Hong Chae-hyong] I am carefully examining each economic field. Our emphasis that "we will attach importance to economic stability" is not an empty phrase. We have to tighten our currency, finances, and wages. I intend to suppress real estate speculation.

[Unidentified correspondent] Success in removing economic unrest is directly linked to the issue of wages. The agreement between the National Federation of Workers' Trade Unions [NFWTU] and the Federation of Korean Industries [FKI] for a guideline in wage increases this year seems cloudy. What do you think?

[Hong] Setting a guideline based on social consensus, including the agreement between NFWTU and FKI, is desirable. Some people point out that such guidelines are of no use. However, this is necessary for the early settlements of disputes over wage increases and for maintaining a proper level that the nation's economy can afford. When the labor quarter demanded an early implementation of the employment insurance system last year, the government put forward the maintenance of a labor-management agreement as a precondition for its implementation, and NFWTU promised this. This being the case, the NFWTU has the moral responsibility to respond to the agreement. If NFWTU and FKI fail to reach an agreement, we will strongly encourage wage suppression as much as possible "within the scope of productivity."

[Unidentified correspondent] Since the won value rose by 2.7 percent during the recent year, the price of industrial products may as well be lowered. In the case of Japan, we often hear the slogan of Japanese business firms, "the interest of raised yen value will be returned to customers."

[Hong] I think manufacturers should voluntarily lower the price of industrial products by reflecting productivity enhancement in price. The government intends to encourage manufacturing industries to lower the price of their products, and enterprises should actively respond.

For instance, large business groups may possibly lower prices again in the electronic sector.

[Unidentified correspondent] The scale of increasing public utility rates is a matter of interest. Increasing electric rates is being put forward, and some service rates were increased with a blitz at the end of last year. The difference between the price index announced by the government and the actual price sensed by the people is so great that the people's trust in statistics has been reduced.

[Hong] The president stressed that this year's price increase rate will be held at 5 percent. The government intends to encourage the public sector to eliminate the factors for price increases by reducing costs through productivity enhancement. We will minimize the increase of public fares and will postpone the time of the increase as long as possible.

[Unidentified correspondent] You said "minimizing." Taking this opportunity, can you not declare that the government will definitely hold the price increase "within a one digit scope"?

[Hong] Since there are many different kinds of public fares, and many sectors are to be turned over to local self-governing bodies, I can hardly say all this similarly.

[Unidentified correspondent] I understand that on various occasions you have stressed reform of the tax administration, noting the embezzlement of local taxes. Do you have any concrete plan?

[Hong] Before government reorganization, the government instructed the tax institute to prepare a tax reform plan. The National Tax Administration and the institute are working together, and we expect results soon. A mid-to-long-term tax reform plan will be developed based on a general study on acquisition, general land, local, and property taxes.

[Unidentified correspondent] Taxation upon total income will be applied in a year. It is expected that an estimated 2 to 3 billion won of floating funds will have a negative effect on various sectors of the economy. Do you have any plans to prevent this?

[Hong] The money is not piled in closets but deposited in first and second financial circles under real names. People have become more sensitive about profit. As shown in the heated applications for Korea Telecommunication stock, a 1 to 2 percent profit will attract a lump sum of money. The economy is a trend, and we have to develop policies based on that. However, we will closely watch for those who want to make large fortunes with one swoop, and will reduce such possibilities.

[Unidentified correspondent] Investigations on over 300 million-won accounts that were transformed from false name to real name accounts will begin early next year. Some people doubt this will be possible.

[Hong] The public is observing us closely. We cannot just let it pass. The National Tax Administration is in charge, and the investigations will begin when working problems, including the computer system, are settled.

[Unidentified correspondent] Some people point out that our industrial policy, particularly on entry barriers, has not been consistent. What is your opinion? Pak Chae-yun, minister of trade and industry, said right after his inauguration that entry barriers cannot be abolished completely. People are confused.

[Hong] I called Minister Pak to confirm this. There seems to be some miscommunication. Again, I make it clear that entry barriers will be abolished in principle.

[Unidentified correspondent] After government reorganization, people are most interested in the relaxation of administrative regulations. A three-phase plan to ease administrative regulations will be implemented beginning this year. Have you discussed with Chongwadae [presidential offices] the direction of the relaxation?

[Hong] I have not discussed the concrete plan. The Board of Finance and Economy must help Chongwadae because Chongwadae does not have enough manpower. I plan to establish a separate department in charge of administrative regulations under the Economic Policy Bureau of the Board of Finance and Economy.

After examining the reduced personnel of each department due to the reorganization, we will overhaul their regulative functions.

[Unidentified correspondent] Recently, Ssangyong Group representatives visited North Korea. Samsung and Hyundai were also expected to visit the North last year but did not. According to reports, many ROK businessmen will visit North Korea early this year. Do you plan to pay a return visit to North Korean Deputy Premier Kim Tal-hyon's visit to Seoul in 1992?

[Hong] The businessmen are expected to visit North Korea soon. As to government-level negotiations, there is not yet a breakthrough, and the operation of the North-South joint economic committee is uncertain.

[Unidentified correspondent] There are rumors that state-run organizations will be reduced or unified.

[Hong] The government has been reorganized, and so will sub-organizations. Their functions will be readjusted, and excessive and lax organizations will be reduced. Research work will also have competition.

[Unidentified correspondent] The public is also very interested in the direction of finance industry reform.

[Hong] There could be no epochal finance industry reform. However, financial institutions should open their business fields to each other in order to expand the so-called gray zone.

Real-Name Property Transaction System Detailed

SK0901082995 Seoul YONHAP in English 0802 GMT 9 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 9 (YONHAP)—The government announced Monday that a real-name system for property transactions prohibiting the registration of property ownership under false or borrowed names will be implemented from July 1.

In a joint news conference, Deputy Premier and Finance-Economy Minister Hong Chae-hyong and Justice Minister An U-man said the government plans to launch the real-name system on July 1 after enacting a law in the first quarter on property registration by actual owners.

They said any persons or businesses using false or borrowed names in property dealings after the new law's implementation cannot be protected and will face prison terms of up to five years and penalties of up to 30 percent of a property's value.

The government measures also call for renewing the registration of property under real names until June 30 next year if the present ownership is in another person's name, and if anyone fails to do so during this grace period he or she will be fined under the new law.

The new legislation states that any person found to have violated the law in the course of retrieving ownership will also face punishment or imposition of taxes retroactively.

However, the government will refrain from imposing separate taxes or meting out criminal punishment to those whose legal violations are not very serious in such cases as "transfer income tax evasion" by families owning one house and tax evasion by business firms in acquiring non-business land.

But if a person is found to have actually donated or traded real estate in the process of normalizing property ownership, that person will also be hit with donation or transfer taxes.

As exceptions, the government will permit cases such as the transfer of securities for the purpose of reimbursing liabilities and of properties owned by the same clan.

In particular, it will positively consider tentative registration of borrowed names so that businesses can be more competitive by buying land for business purposes in the names of various persons.

The government is planning to collect a wide range of opinions on the draft law and will push for its passage by the National Assembly as soon as possible.

Funds Allocated To Import Rice in Late 1995

SK0701090095 Seoul CHOSON ILBO in Korean 7 Jan 95 p 2

[By reporter Na Chong-ho]

[FBIS Translated Text] With the inauguration of the World Trade Organization, 51,000 tonnes (350,000 som [one som equals 5.12 U.S. bushels] of rice—amount of rice the ROK has to import this year—will be introduced late this year through an international bid by the Supplies Office. The long-grain type (indica type) is the kind of rice that will be imported because it is appropriate for processing other types of food products. It will be imported from the United States or Thailand, after the market conditions are considered. An official of the Ministry of Agriculture, Forestry, and Fisheries revealed on 6 January: "The rice that needs to be imported as a matter of obligation this year will be selected at a time when it is cheapest in the international market and the type will be the one that is most appropriate for processing other food products. However, the country from which we will import the rice will be considered according to our trade policy." Rice will be imported late this year. Plans are being examined to import rice equally from the United States and Thailand.

Funds have been appropriated to import rice this year worth 24.8 billion won at a level of \$250-300 per tonne of rice.

To prevent selling imported rice for direct consumption, the Agricultural, Forestry, and Fisheries Committee of the National Assembly recommended that the indica rice should be introduced because its appearance is different from the short-grain type of rice (japonica type) which is produced in the ROK.

About 1 million som of rice are used every year in the production of cookies and baby food. Since the tongil rice supply we have is enough for three to four years, the Ministry of Agriculture, Forestry, and Fisheries believes that if 350,000 som of rice were imported, there would be no problem in using all of it for the processing of other food products.

Population of Seoul Reportedly Decreased in 1993
SK0701030595 Seoul YONHAP in English 0104 GMT 7 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 7 (YONHAP)—The population of Seoul fell in 1993 for the first time in 37 years, according to the city's statistical 1994 yearbook published Friday [6 January].

Increased movement to satellite cities and declining birth rates were responsible for the capital city's population drop.

The figure decreased 44,000 to 10,925,4000 in 1993, with 793,000 leaving the city against 611,000 moving in.

The city posted an average 491 births, 106 deaths and an increase of 497 cars every day in 1993.

The average family had 3.18 members, compared with 4.3 in 1983 and 5.2 in 1973, indicating the rapid switch to a nuclear family system.

An average of 225 couples got married each day, while 37 couples divorced daily against 32 registered in 1992.

Traffic accident deaths for every 100,000 people fell to 7.4 from nine in 1992 and 12 in 1991.

The city consumed 1,048 180-kilogram cattle and 7,528 53-kg pigs every day.

Seoul's registered automobiles at the end of 1993 numbered 1,750,880 and 1,194 people obtained a driver's license every day.

While the city's average daily oil consumption rose 14 percent from 1992 to 196,572 drums, food grain consumption fell 1 percent to 44,363 bags.

Burma**Trade Minister Threatens Action Against Farmers***BK0501092195 Rangoon Radio Myanmar in Burmese
0430 GMT 5 Jan 95*

[FBIS Translated Excerpt] Trade Minister Lieutenant General Tun Kyi and his delegation, currently on a tour of Monywa, visited villages in Budalin Township which were unable to sell their paddy on 31 December.

The minister was accompanied by Colonel Kyaw Win, deputy commander of the Northwest Command; chairmen of law and order restoration councils from districts and townships; U Saw Aung, general manager of Myanmar Agricultural Produce Enterprise; Lt. Col. Tin Shwe, officer on special duty at the Trade Ministry, and responsible officials.

The minister and his entourage arrived at Kado village at 0900 by car and met with the villagers at the local monastery and discussed matters related to the acreage under cultivation, the acreage of the successful crops, and the problem of being unable to sell paddy. The minister then inspected the fields. Giving guidance to paddy purchasing supervision teams, the minister said they should urge the farmers with a successful acreage to sell their paddy and to take strict and resolute action against those who fail to meet their obligations. He urged the authorities responsible to inspect the fields of the farmers who claimed they were unable to sell paddy because of their unsuccessful crops, and told them to waive the requirement [to sell paddy] if their claim for unsuccessful crops turned out to be true. [passage omitted]

Mon Leader on Failure of Cease-Fire Talks*BK0901104595 Oslo Democratic Voice of Burma in
Burmese 1430 GMT 8 Jan 95*

[Interview with Naing Shwe Kyin, chairman of the New Mon State Party, by unidentified Democratic Voice of Burma correspondent; place and date not given—recorded]

[FBIS Translated Text] [Correspondent] Mr. Chairman: It has been learned that a meeting between the New Mon State Party [NMSP] and the SLORC [State Law and Order Restoration Council] has come to an impasse. If it is true, why.

[Kyin] It is true that the cease-fire negotiations have become uncertain. We held the meeting with the SLORC with the intention of achieving a cease-fire, and with both parties maintaining their positions. We will try to achieve and transform the regional cease-fire into a national one. We have participated in various organizations, that is why [the SLORC] should also meet with the leaders of the front-like organizations such as the NDF, the National Democratic Front; the DAB, the Democratic Alliance of Burma; and the NCUB, the National

Council of Union of Burma. However, it does not want to hold talks with these organizations. It only wants to talk with individual groups. SLORC officials have proposed that all of our members stay within a five-mile perimeter. Moreover, they told us that we have to inform them whenever we leave the area and that we will have no right to leave the area with our weapons. It seems that the SLORC wants us to continue talks after they put us in a restricted area. Their attitude is wrong. So we have decided not to continue with the talks.

[Correspondent] It has been learned that the NMSP held a meeting with the SLORC due to pressures from many quarters. Is that the only reason? We would like know if there are others.

[Kyin] Pressure was not the only thing. We responded to the SLORC's official overture because we need internal peace. The other reasons included the urging of the Thai National Security Council, and officers of the No. 9 Thai Local Regional Command; and the recent incident at the Halockkhani Mon refugee camp [where Mon refugees were forcibly repatriated to Burma by Thai officials]. We went because there was an opportunity to hold a meeting with the SLORC based on a real need for internal peace. The other reason we had was that we do not want the people to see us as a weapons-wielding bloodthirsty group, which engages itself in illegal activities and does not want internal peace. We are always willing to hold talks if there is an opportunity for internal peace.

[Correspondent] What are the differences between the NMSP and SLORC's basic stands?

[Kyin] Our NMSP's basic stand is to hold a meeting as a front, which include the NDF, the DAB, and the NCUB. We want the SLORC to meet these front-like organizations for wide-ranging discussions. But the SLORC only wants talks with individual groups. This means the division of democratic forces and ethnic national forces. We believe that effective internal peace cannot be built by holding talks with individual groups. The other thing we want is a round-table meeting between the SLORC and all the above-mentioned groups to discuss and coordinate political problems. It seems that the SLORC is only interested in purely military matters. A cease-fire is a purely military matter. The SLORC urged us to participate in the National Convention where political discussions are held as observers. It seems we have to give up our belief in armed struggle to attend the National Convention. We cannot accept this condition.

[Correspondent] My last question for Mr. Chairman is what should the stands be, so that a meeting can be held to end more than 40 years of civil war?

[Kyin] To end this civil war of more than 40 years, a situation has to be created that will allow both sides to eliminate the grudges, anger, and doubts they have against one another. Only then will it become easier to continue the talks. If talks are held while they still have grudges, then an effective peace can never be achieved. I

think if the talks are held in the presence of a person or an organization trusted by the majority of the people—that means an organization like the United Nations—then we can smoothly resolve the civil war that we are facing. [end recording]

Brunei, Malaysia & Singapore

Malaysia

Army Officers Depart for UN Mission in Angola

BK0801104495 Kuala Lumpur Voice of Malaysia in English 0600 GMT 8 Jan 95

[FBIS Transcribed Text] Twenty-one officers from the Malaysian Armed Forces and police have left for Angola for a one-year tour of duty as United Nations peace observers. They were seen off at Kuala Lumpur's Subang International Airport by Army Operations Headquarters Staff Officer, Colonel Mohamed Radzi Ahmad. Col. Mohamed said the army was sending 10 officers to carry out various tasks such as monitoring human rights and truce violations in the war-torn African nation.

*** Article Calls Stock Market 'Still Solid'**

95SE0048A Jakarta BISNIS INDONESIA in Indonesian 21 Nov 94 p 5

[Article by Romanus Muda: "Malaysian Exchange Still Solid"]

[FBIS Translated Text] Within APEC [Asia Pacific Economic Cooperation] ranks, Malaysia is known as the most "resistant" to the globalization of trade and investment. Since Mahathir Mohamad took control, the government has deliberately advanced the economic status of the bumiputra community [Malays and other indigenous peoples] to compensate for the progress of non-bumiputra businessmen, who had already enjoyed success. Nevertheless, the growth of investment in Malaysia apparently remains splendid. Inflation, at 3.6 percent, is still low. This low inflation and strong sociopolitical stability encourage investors to keep placing their investments in this neighboring country.

In the world of capital markets, Malaysia's growth rate somewhat fluctuates because of increased interest rates in the United States and because of political scandals that have affected economic forces, particularly the capital market.

In 1991, the composite index of the Kuala Lumpur Stock Exchange reached 3311. This was the highest figure achieved by the Malaysian exchange during the last four years. After experiencing a boom in that year, the Malaysian exchange suffered a very sharp decline in the index in 1992. In November 1992, its IHSI [Combined Share Price Index] weakened to the 630 point, a drop of more than 80 percent.

Following that sharp fall, the index rose slowly and cautiously. In September 1993, the index was at the 851 position. In other words, it advanced very little. This was natural, because investors and owners of capital were still suffering the trauma of the sharp drop in the index, which had resulted in large volumes of capital loss. In a relatively short time, however, investor confidence returned, and at the end of 1993 the index closed at 1275 points.

Entering the new year of 1994, exchange developments were not marked by much enthusiasm. As of November 1994, the composite index was 1074, lower than at the end of 1993.

A strongly fluctuating index with extremely sharp peaks is not a serious hindrance to the expansion of market capitalization. In December 1991, the value of market capitalization was \$58 billion, which rose by \$27 billion by November 1992 to \$80 billion. Market capitalization expanded conspicuously in 1993 to \$243 billion. In 1994, however, market capitalization has been only \$240 billion.

Malaysian economic growth will continue, although several economic line items are not experiencing startling increases. Because world macroeconomic factors will encourage this growth, however, it will make possible an increase in the prosperity of the Malaysian people, who number only 19.1 million.

Capital market expansion will be in parallel with general economic progress. There is also an increased public awareness of the importance of the capital market, not only as an alternative source of large-scale financing, but for the small investor community an attractive alternative for improving the prosperity of their lives. This awareness will steadily lift market capitalization, because the national market will have a strong basis of local investors.

Cambodia

Government Approves Mekong Development Agreement

BK0601142095 Phnom Penh National Radio of Cambodia Network in Cambodian 1145 GMT 6 Jan 95

["Press Communiqué" of the Office of the Spokesman of the Royal Government issued in Phnom Penh on 6 January—read by announcer]

[FBIS Translated Text] A plenary session of the cabinet was held at 1440 on 6 January under the chairmanship of Prince Krompreah Norodom Ranariddh, first prime minister, and Samdech Hun Sen, second prime minister of the Royal Government of Cambodia [RGC], to examine and discuss the agreement on the cooperation for the development of the lower Mekong River basin.

After exchanging views, the cabinet made the following decision:

The RGC unanimously approved the draft agreement on the cooperation for the development of the lower Mekong River basin. The RGC would strive to build up all-round cooperation to implement the spirit of this agreement for the development, utilization, and control of the basin; water conservation; and the protection of resources in the Mekong basin so as to improve the numerous uses and mutual interests of all countries along the river banks, and to minimize all the effects caused by natural disasters and human activity.

The RGC would establish cooperation on the basis of equity, sovereignty, and territorial integrity and use the river in a reasonable, fair, and correct manner so as to ensure the protection of water sources on the Mekong River basin as well as to protect the environment. At the same time, the Royal RGC welcomed the report that the Mekong River [words indistinct] transportation and communications.

The RGC accepted the (?role) as the chairman of the Mekong Committee in line with Item 16 of the agreement and agreed to provide a place for the Mekong Committee to set up its office in Phnom Penh.

The cabinet session, which proceeded in a spirit of unity and a high sense of responsibility, ended at 1700.

Phnom Penh, 6 January 1995

Ranariddh Hopes Fighting To End in 1995

BK0701105895 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 7 Jan 95

[FBIS Translated Text] While distributing aid to people yesterday morning in (Kangkep Ap) commune, Kompong Trabek District, Prey Veng Province, Prince Krompreah Norodom Ranariddh, first prime minister, said he hopes there will be no more war in 1995 because the Khmer Rouge rebel troops no longer have confidence in Pol Pot and have been defecting in increasing numbers to the royal government. The prince krompreah said the Khmer Rouge are disintegrating. Fighting will stop when there are no fighters. The prince krompreah solemnly said that two major political parties have united at the king's initiative. We are united in the royal government to work and serve the people and not to represent any party.

Ranariddh Wants Media To Become World Class

BK0701131795 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 6 Jan 95

[Speech by Prince Krompreah Norodom Ranariddh, first prime minister, at the second ordinary conference of Cambodian Journalists Association in Phnom Penh on 5 January; poor reception precludes fuller processing—recorded]

[FBIS Summary] The Royal Government is making efforts to enable the Kingdom of Cambodia to have a national press that is similar to countries practicing

democracy in Asia, Europe, and America. Some believe that the emergence of over 40 newspapers in Cambodia, compared to only five papers three years ago, is a sign that democracy is developing, while others worry that irresponsible press freedom will bring about anarchy. I support both views. Some newspapers have actively contributed to national unification through disseminating the requests of the Royal Government to the people and vice versa, while others have abused their freedom.

I know some reporters are unhappy or very concerned about the Royal Government's draft press law, which will soon be debated by the National Assembly. Norodom Ranariddh will not obstruct the bill if amended or improved by the National Assembly. Particularly, I will not use my right as party chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], to force members to fully accept the Royal Government draft.

Concerns have also been voiced about the threats from all levels of state authority against reporters. I would like to inform you here that I have instructed the authorities to use state power appropriately. "I promise this on behalf of Samdech Hun Sen as well as the entire Royal Government."

I call on our newspapers to report all events affecting the rich or poor to the Royal Government, and not just when press members are affected. We should think about how we should contribute to the security of 10 million Cambodians, who enjoy the same rights before the law. I want newspapers to become the fourth estate.

I praise the efforts of the Cambodian Journalists Association and most highly value the governments of various countries for providing professional training to our reporters, for example Australia, Denmark, France, Germany, Singapore, Thailand, the United States, and various organizations such as UNESCO, the Asia Foundation, and the International Federation of Journalists.

I believe and hope that through the cooperation and vigorous efforts of our Cambodian Journalists Association, the news dissemination sector in the Kingdom of Cambodia will greatly develop and will raise the prestige of our motherland as a champion of press freedom.

Khmer Rouge Claims Secret Visit by SRV President

BK0701111695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 6 Jan 95

[FBIS Translated Text] According to reliable sources in Phnom Penh, Le Duc Anh, president of communist Vietnam, secretly visited Cambodia in early December 1994 to inspect in person the situation where the movement opposing the two-headed government and Vietnamese is gaining momentum.

Le Duc Anh came to Cambodia at a time when the two-headed government is heading downhill in every area—militarily, politically and economically, and in other sectors. Many foreign observers say the two-headed government is heading toward disintegration in the not-too-distant future.

The same sources say Le Duc Anh summoned Chea Sim, Sar Kheng, Hun Sen, and Pol Saroeun to meet him in Chba Ampeou to take a number of preventive measures against the potentially explosive situation. Can Le Duc Anh rescue his puppets from death? The Cambodian people will absolutely not let this devilish, traitorous, and greatly corrupt regime live any longer. The people need national reconciliation and peace.

KR 'Directive' Against Administration Viewed

BK0901103995 Phnom Penh KAOH SANTEPHEAP in Cambodian 5 Jan 95 pp 1, 3

[FBIS Translated Text] The main obstacle blocking the progress of our hapless Cambodia continues to be the crimes of the Khmer Rouge [KR]. When they were fighting for power from 1970 to 1975, a "national war" was transformed by the Khmer Rouge into a raging class struggle ostensibly waged under the smokescreen of a fight against the U.S. imperialists and to return the power to the head of state. At that time, the unsuspecting people were handed a tragedy they did not deserve and became an anvil under heavy hammer blows. After the KR won the victory, everything changed. Even his majesty himself became one of their prisoners and the profoundly disappointed people were subjected to hard labor and a savage massacre.

Not a single Cambodian will forget that tragedy. Now the KR continue to nurture the same ambitions and do not give up their abominable designs. They slaughter anyone they can lay their hands on, be it Cambodian or foreigner. They fire at and kill everybody, and their main objectives are to cause intimidation and fright and to undermine security and peace. Now, the deadline is just a few days away for these recalcitrant elements to be declared outlaws. Freedom fighters struggling for the nation's independence they are not, for they are nothing but true rebels. Since the National Assembly passed the law to outlaw these KR, thousands of their officers and foot soldiers have reported themselves to the Royal Government. They have surrendered in whole units and with their families and also in the company of many people living under their control.

As a matter of fact, the largest KR defection took place in Siem Reap Province on 1 January when 1,500 men from regiments and battalions of Divisions 912, 519, and 980 left the jungle and surrendered to the authorities. Our correspondent asked a defector about his life as a KR soldier. The man just shook his head and told us he was happy he was still alive and now free from the despotic command of his superiors. He went on to say that the striking, burning, and killing activities were ordered to

be launched against Vietnamese puppets. Although the latter were Cambodians, the authorities on high had already painted all of them as Vietnamese.

KAOH SANTEPHEAP has seen a directive by "99," a document showing that the recalcitrant KR have not given up their abominable conduct. "Ninety-Nine" is a secret number designating the man who gave the order. But we know that it is the codename of Pol Pot, and not that of Ta Mok. According to the strategy described in this document, "99" ordered his men to re-focus their attention on the village and commune-level "grass-roots authorities" with the understanding that only in villages and communes can they uncover the functionaries who serve regime of the so-called Vietnamese puppets and government that they called two-headed. Consequently, we publish this document not to cause any alarm to the public but to urge all Cambodians to unite and to wake up those pro-KR politicians so that together with KAOH SANTEPHEAP we will try to understand the real dark character of these KR. At no time will the KR chieftains abandon the goal of their party. The KR will not succeed if we Cambodians sincerely unite and focus on the countryside with the aim of quickly developing localities that have already been firmly pacified.

The Cambodian people entirely rely on the Armed Forces to crush the enemy. Vice versa, the Khmer Royal Armed Forces also rely on the moral support of the people. Therefore, we must be alert to, deter, and oppose at all costs all forms of rebel activities.

Pro-KR elements, KR supporters, and KR chieftains alike beware: you will soon be crushed!

Following is the document about the order that "99" (Pol Pot) has directed his high-ranking cadres to study and instill down through the ranks:

Directive: Repeatedly Remind Ourselves of the Need to Smash and Sweep Away the Civilian Administration of the Communist Vietnamese Puppets and Two-Headed Government

I. We have on so many occasions and repeatedly studied and instilled into our principal cadres the need to smash and sweep away all kinds of civilian administration of the communist Vietnamese puppets and two-headed government. The reasons why we must smash and sweep away all kinds of civilian administration of the communist Vietnamese puppets and two-headed government are:

1. In the past, the views of our cadres concerning this civilian administration was intangible.
2. They [the cadres] coexisted with the civilian administrators, shared drinks and food with them, and were at peace with them to the point of risking the life of one cadre after another.
3. All this has scrambled and confused the views, political stand, organizational setup, and activities between us and the enemy and between the enemy and us.

As a bad result:

—This has led to the absence or infrequency of implementing the guerrilla and people's war line, the production and planting of punji stakes, and the cutting of roads.

—This has harmed the people, and so on.

4. Because of the above-mentioned situation, 50 to 60 percent of some units were made up of enemy elements in terms of organization and 90 percent and more in terms of views, political stand, economic activities, livelihood, ethics, and so on.

Remark:

This is to stress that the enemy civilian administration is a far-reaching great risk to us. They pose a constant, daily, on-the-spot danger to our cadres, army, ranks, and people. As such, they cause us confusion and menace in terms of organizational setup, views, political stand, living conditions, economic activities, and so on. If we do not smash and sweep them away, this enemy civilian administration will appease us and liquidate us through appeasement and psychological means.

For these reasons, we must educate ourselves again and again and send out directive after directive, circular after circular about the need to smash and sweep away the civilian administration of the communist Vietnamese puppets and two-headed government resolutely and actively, especially in October, November, and December 1994, and in a fundamentally resourceful manner within the liberated zones and semi-liberated zones. We must also strive to smash and sweep it away inside the contentious areas as well. Besides, all of this has already been explained in the plan for each battlefield.

II. However, most of our cadres—more than 95 percent of them—are still not imbued with the meaning of this civilian administration of the communist Vietnamese puppets and two-headed government. They continue to be immersed mainly in the military aspect, attacking villages and communes only from the military point of view.

This is because most of our cadres have had their characters mollified by and mixed up with the appeasement nature of the enemy, and vice versa. The blend of our essence with that of the enemy has become quite thick within the bodies of our cadres. It is for this reason that even after being indoctrinated, no movement to smash and sweep away the civilian administration of the communist Vietnamese puppets and two-headed government has been detected. Any little action that was taken had been taken only from the military point of view. Otherwise, when three, four, or five members of the enemy civilian administration were captured, they would be released and allowed to go home after they had promised they would not serve the enemy authorities anymore. But when they resumed their service with the

enemy, they turned against us, attacking us and cutting the people's throats all over again.

III. Ninety-Nine would like to remind you once again of the duty to smash and sweep away all kinds of civilian administration of the communist Vietnamese puppets and two-headed government. Ninety-Nine will consider your decision to do this duty or not as a criterion to judge whether you are a cadre of Democratic Kampuchea or a cadre of the "other side" or of the enemy. This duty is not difficult. The leading cadres merely have to wean themselves of all appeasement tendencies. These appeasement-free leading cadres then proceed to indoctrinate other cadres down through the echelons in order to build the ranks, the army, and the core and give us a sufficient force to fully smash and sweep away the enemy civilian administration.

IV. Ninety-Nine would like to refresh your memory of a number of measures as follows:

1. It is imperative to completely smash and sweep away all kinds of civilian administration of the communist Vietnamese puppets and two-headed government without any further hesitation. Our cadres must surely do that. Cadres who have their thinking mixed up with that of the enemy or who are enemy cadres will not do it. It is imperative to think about separating our cadres from enemy cadres along that line. It is imperative to think about building and rebuilding our cadres along that line.

2. All members of the enemy civilian administration must be sent back for concentration in the rear, "four to 10 kilometers from the front," placing them in camps surrounded by wooden or bamboo fences or barbed wire and properly guarded.

3. Daily ration for 10: One can of rice and two bowls of water.

4. The slogan to be written on the spot: "Become an Ordinary Person and You Live! Remain in the Vietnamese and Two-Headed Administration and You Die!" There must be persons responsible for making them read and memorize this slogan for three hours in the morning and another three hours in the evening until they can recite it fluently, by rote.

5. Within three days, they will be broken. Then, let them make up their mind. One by one, make them describe their own past activities and those of the others. In this way they will report on each other and, in the process, allow us to know the truth.

6. Moreover, bring in each of them separately for interrogation about his own profile and that of the others, in secret.

7. It is imperative to question many people about the profile and activities of these persons.

8. Carry on the interrogation in this way for seven days and seven nights running until their stomachs are hollow

and they are agonized with thirst. Then, they will make up their mind and decide how their problems should be solved.

9. Thereafter, select who among them should be released from detention. Summon their parents, wives, and children to take them back. Make them and their parents, wives, and children pledge that they will be fully responsible if they ever serve the administration again. Make them understand that the communist Vietnamese administration has cut the people's throats for 15 years now. We absolutely do not permit anyone to help the communist Vietnamese administration cut any more people's throats.

10. Those responsible for the camps in which the administrators are held, as well as the guards, must take full responsibility in case of escape. Both cadres and combatants must be severely disciplined with the understanding that they have freed the enemy and thus have helped them to continue killing the people.

11. As for the simply cruel ones, they are small in number. We should not hesitate in dealing with them. Interrogate them for just one or two days and we will have a sufficient file on them. Solve their cases quickly so there will not be any more worries or concerns about them.

Important Remark:

The overwhelming majority of cadres are good, but they are weakened by appeasement. They must build themselves in order to resolutely implement the smashing and sweeping away of the enemy civilian administration. Certainly, our cadres are working hard to build themselves in this field.

As for the bad elements, the elements of the other side, or the elements of the enemy, they constitute a very small number within our ranks. If we meticulously implement this directive, we will clearly see black and white. Anyone who implements it is on our side. Anyone who does not is on the other side or the enemy. This demarcating line is clear.

Moreover, this is a measure for mastering the offensive against the enemy during the dry season so the enemy will not be able to rear his head again. Only by succeeding in this can we succeed in the offensive of the 17th dry season. However, wherever there is hesitation, wherever the enemy civil administration is left intact, wherever there is appeasement, we will surely be crushed by the enemy.

Special remark:

In order to successfully, actively, and vigorously fulfill all of the above tasks:

1. Do not forget to correctly conduct political work while carrying out business within the inner ranks in accordance with both the five-point democracy and the six-point contents.

2. Do not forget the Angka [KR leading apparatus].

3. Do not forget to build the cadres; build them and rebuild them again and again without letting up. Especially, do not forget to build, cleanse, consolidate, and strengthen oneself through constant inner-ranks consolidation work.

4. Do not forget to hold reeducation seminars and courses to build the cadres, the ranks, the army, the core, and the people.

5. Do not forget to consolidate the army from top to bottom along the correct organizational line. The old army [kangtoap chah] must adhere to the organizational line in order to screen, perfect, consolidate, and expand itself. And so must the new army [kangtoap thmei].

Indonesia

Thai Foreign Minister on Purchase of Aircraft

BK0601134195 Jakarta ANTARA in Indonesian 1000 GMT 6 Jan 95

[FBIS Translated Text] Jakarta, 6 Jan (ANTARA)—Indonesia and Thailand are currently looking into the possibility of upgrading their bilateral economic and trade relations by using the barter trading system, particularly for the purchase of the CN-235 aircraft with rice.

Speaking to reporters after paying a courtesy visit on President Suharto at his residence in Jalan Cendana on Friday, Thai Foreign Minister Thaksin Chinnawat said if the aircraft was purchased, then they would be used by the Thai Armed Forces and the agricultural sector.

Thaksin, who is the new Thai foreign minister, said the objective of purchasing the IPTN [National Aircraft Industry]-made aircraft was to support technological development in ASEAN, including Indonesia.

Meanwhile, Foreign Minister Ali Alatas who accompanied his Thai counterpart when the latter paid a courtesy call on President Suharto, stated that Indonesia's purpose in purchasing rice was to overcome the impact of a long, drawn out drought.

Alatas said, "The purchase of rice within the framework of a barter trade system had been practiced. However, I have forgotten the amount."

He said, apart from implementing the barter trade system, the two governments are currently holding talks on the issues of investment guarantees and the air communications services agreement.

Government 'Disappointed' With Portugal

BK0901103395 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 9 Jan 95

[FBIS Translated Text] Indonesia and Portugal have remained far apart on the East Timor issue despite some

progress in the previous tripartite dialogue. On the one hand, Indonesia considers the East Timor issue over since East Timorese signed the Balibo Declaration on the integration of their territory with Indonesia in 1975. On the other, Portugal maintains that the decolonization process has yet to take place.

Foreign Minister Ali Alatas said in Geneva yesterday that Indonesia is disappointed with Portugal for not being serious about creating confidence-building measures. He said Indonesia has made various efforts ranging from allowing East Timor youths to leave Indonesia, enabling a reunion between a number of East Timorese in Portugal, and allowing officials of international organizations and Portuguese community leaders to visit East Timor to investigate the Dili incident. However, Portugal had not done much except to allow two Indonesian journalists to visit Portugal. According to Minister Ali Alatas, the creation of confidence-building measures must be reciprocal. He added that Indonesia remains serious about seeking ways to achieve a just and internationally acceptable solution to the East Timor issue, as demanded by the United Nations, although the issue is considered over.

East Timor Demonstration Leads to 24 Arrests

BK0901113795 Hong Kong AFP in English 1125 GMT 9 Jan 95

[FBIS Transcribed Excerpt] Dili, East Timor Jan 9 (AFP)—Twenty-four people were arrested and four tourists expelled following a pro-independence demonstration here Monday ahead of talks in Geneva between Jakarta and Lisbon on the future of East Timor. The head of the East Timor police, Colonel Andreas Sugianto, told AFP that 24 youths were detained for questioning after the brief demonstration outside Timor Timur (East Timor) university, adding that their fate would be decided Tuesday.

The pro-independence rally began early Monday when between 50 and 100 unemployed youths and farmers unfurled banners and shouted slogans, before fleeing following the arrival of security forces, witnesses said.

"We want our freedom and total independence," said one university student who said he had participated in the demonstration.

A tense standoff followed the action, as more than 200 riot police and armed soldiers cordoned off the streets around the campus for more than three hours.

Four tourists, three Australian men and one Dutch woman, who were present at the demonstration, were immediately expelled from the territory for breaching the conditions of their tourist visas, the East Timor immigration head, Trismoyo, told AFP. He said that they had taken photographs of demonstrators, thus encouraging a disturbance of the peace. "If there is a

demonstration, tourists should run from a riot, but if they are involved in a riot they are not tourists," he added.

The four, identified as Australians Anthony Joseph Jefferies, Pawel Slodowy and Kieran Anthony Dwyer and Dutch national Wendy Josefine Jonker, were put on the first flight to Kupang, West Timor.

Foreign journalists were asked by authorities to leave the campus area citing concerns that their presence could be provocative. The journalists were later stopped from filming in the direction of the university by military police.

Members of the pro-independence movement earlier said they had planned the demonstration to coincide with talks in Geneva on the future of the enclave. [passage omitted—background on Geneva talks]

The governor of East Timor, Abilio Soares, said here Monday that there were no longer any proposals from the Indonesian side to consider a special status or autonomy for the territory. [passage omitted]

Bishop Belo: Situation in Baucau 'Very Grave'

BR0601135095 Lisbon DIARIO DE NOTICIAS in Portuguese 5 Jan 95 p 8

[Unattributed report: "Baucau Worse Than Dili"]

[FBIS Translated Text] "There are ashes on ashes, many things destroyed, the young people all rebellious, and life completely at a standstill." Bishop Dom Ximenes Belo, who visited Baucau yesterday "in order to find out the situation," confirmed the deaths of at least two Timorese young people in Sunday's clashes, and described the atmosphere in that city as "very grave—worse than in Dili."

"There is no transport, and stores and schools are closed," Ximenes Belo stated when contacted in Dili by the LUSA news agency from Macao.

Dom Ximenes Belo, who yesterday visited Baucau, 130 km east of Dili, stated that he has so far confirmed the deaths of Armindo Ximenes and Domingos Muhamad, both aged 17, but acknowledged that "it is difficult for the present to establish the exact number of casualties." Armindo Ximenes was stabbed to death Sunday by an immigrant from Sulawesi, and Domingos Muhamad succumbed on the following day to the bullets fired by Indonesian troops against Timorese demonstrators who were near the church of Santo Antonio.

"It is also known that 16 people were wounded, five of them gravely," he stated. "It is possible that there are more dead, but for the present only the deaths of those two young people have been confirmed," the Timorese bishop told LUSA.

Dom Ximenes Belo confirmed that further protest actions occurred in Baucau yesterday, stating that "the

city's streets have been taken over by the young people." "I myself had to take up a megaphone and reprimand the young people in order to disperse them, in order to avert more scenes of violence," he related, stating that parts of the city are controlled by the demonstrators.

"In the old quarter of the city, the former Vila Salazar, I saw the young people controlling the streets. They were ordering the cars to stop, which is reminiscent of the days of the militias," he emphasized. "The troops seem to be afraid and the police are not to be seen," Ximenes Belo said, confirming the account given to France Presse by a traveler, according to which the Indonesian security forces have kept at a cautious distance from the demonstrators, apparently under orders to avert clashes.

Even so, according to resistance sources, the Baucau demonstrations have already caused damage to 90 properties, including homes, kiosks, and other stores.

The bishop stated that he met in Baucau with some of the local authorities—specifically, the Indonesian military commander—and said that the immigrants from Sulawesi have taken refuge in military installations. According to Dom Ximenes Belo, the military are controlling the ways in and out of the city and have set up checkpoints on the Baucau-Dili road.

In the meantime, Indonesian Foreign Minister Ali Alatas yesterday accused Portugal of having an "aggressive attitude," which, he said, is prejudicing the resolution of the East Timor conflict.

Alatas, who was speaking at a press conference five days before the next round of negotiations with Portugal, asserted, referring to the Portuguese stance, that "they are continuing to adopt a very aggressive attitude, which is not conducive to a comprehensive and internationally accepted solution."

This assertion met with an immediate reaction from the Portuguese Foreign Ministry. A ministry spokesman told AP that Alatas' assertion "is completely false." The Indonesian minister did not cite specific cases of what he describes as an "aggressive attitude" of the Portuguese Government, but maintained that Indonesia, for its part, has taken various positive steps. Among these, he included the decision to allow UN missions to visit East Timor and the 29 Timorese demonstrators who invaded the U.S. Embassy in Jakarta to leave for Portugal.

Asked about the incidents which occurred in Baucau, Alatas confined himself to denying that the authorities shot dead demonstrators. Previously, an Indonesian military communique spoke of 17 wounded, including demonstrators and troops.

In the meantime, in Dili, a group of six students gathered in front of the university waving anti-Indonesian posters and shouting "Long live East Timor," but dispersed rapidly without police intervention. A source contacted by AFP stated that he believed that this demonstration,

which lasted less than two minutes, had no direct connection with the violence which occurred in Baucau at the beginning of the week.

Timorese sources speak of the arrival of another two battalions in Dili and report the severing of road links with the far east of the island. A resident stated that he witnessed the landing of hundreds of Indonesian troops in the port of Dili in the early hours of the morning. "Hundreds of troops arrived, who left the port in around 20 trucks. At least 10 trucks took the road to Baucau," the source contacted by LUSA added. The Indonesian military command in Dili would not confirm the report.

Other reports speak of the severing of road links between Los Palos and Lautem in the far east of Timor by security forces who took up positions on the region's main road.

*** Results of Timor Gap Oil Explorations Reported**
95SE0058A Jakarta KOMPAS in Indonesian 21 Nov 94 p 5

[Article by Indroyono Susilo, research specialist for the BPPT (Technological Research and Development Board), Jakarta, "Black Gold in Timor Gap"]

[FBIS Translated Text] Relations between Indonesia and Australia have recently become increasingly close, not only in a number of cooperative economic, social, and cultural programs. It also appears that even nature is joining in a smile. The Timor Gap, a symbol of cooperation in the exploration of natural resources between Indonesia and Australia, also shares in the improvement in bilateral relations. Since a cooperative agreement for the exploration of petroleum and natural gas in the Timor Gap was signed in December 1989, black gold has begun to flow from petroleum and natural gas exploratory fields there.

In the middle of October 1994 the Woodside Company, a petroleum contractor, announced a find of petroleum and natural gas from the Laminaria I exploratory well (located at 10 degrees 62.6 minutes south latitude, 126 degrees 6.0 minutes east longitude) in Zone A of the Timor Gap area. Petroleum and natural gas is flowing from the well, located 3,300 meters below sea level, with daily production estimated at about 5,900 barrels.

This is the second exploratory well in Zone A which has begun to produce oil. In February 1994 the Elang I well (located at 10 degrees 88.4 minutes south latitude and 126 degrees 6.0 minutes east longitude), owned by a consortium of BHP (Broken Hill Proprietary Company), the Petros Company, and the Santos Company, began to produce 5,600 barrels per day from a depth of 3,000 meters below sea level.

On the basis of the present petroleum and natural gas price of \$16 per barrel, the contribution of the Timor Gap to Australia and Indonesia, if these wells begin to produce on a commercial basis, will be \$184,000 per day,

or about 400 million rupiahs. This is still a small amount. However, bearing in mind the fact that the petroleum and natural gas potential of the Timor Gap is one of the largest in the world, it is estimated that the level of production will rise quickly in the future.

After the Indonesian Parliament passed the Law on the Timor Gap on 11 December 1990, the period of exploration for petroleum and natural gas in the Timor Gap began. An area of cooperation covering 62,000 square km was set up, divided into Zones A, B, and C. Zone C is under Indonesian supervision. Zone B is under Australian control, while Zone A will be managed under a Joint Authority Board (BOB).

Dozens of petroleum and natural gas companies have signed production sharing agreements with the BOB, using several standards. If the production of petroleum and natural gas is less than 50,000 barrels per day, the production sharing agreement is on a 50-50 basis. If production is between 50,000 and 150,000 barrels per day, the product will be divided on the basis of 60 percent for the BOB and 40 percent for the contractor. For production above 150,000 barrels per day the division will be 70 percent for the BOB and 30 percent for the contractor. The BOB share will then be divided in half between the Indonesian and Australian Governments.

This standard for dividing the product of the Timor Gap is very attractive for the giant petroleum and natural gas producing companies in the world. Out of 14 exploration areas made available in 1991—each covering about 3,000 square miles—11 areas have already been sold. More than 45 exploratory wells have been and will be drilled between now and 1997.

Whereas the ratio of successful drilling for petroleum throughout the world is one test well out of 20, the ratio in the Timor Gap area is one well out of 11. That is, out of 11 test wells, one new petroleum and natural gas source is found. In the view of world petroleum and natural gas companies, this ratio is rather attractive and profitable.

The production capacity of Zone A in the Timor Gap is large because the Australian petroleum area in the Timor Sea at present, including the Challis, Jabir, and Skua fields, is located in the Bonaparte Basin and the Vulkan Sub Basin. Zone A is located in this basin, and the possibility of finding petroleum and natural gas is increasing. In addition, the northern part of Zone A borders the Sahul Shelf, an area with special features of geological structure. This makes it possible for sedimentation to occur and petroleum and natural gas to accumulate. It is in that area that drilling for black gold is now going on.

Indeed, exploratory activity for petroleum and natural gas in the Timor Gap is now beginning to be concentrated in Zone A and in part of Zone B. Exploratory activity in Zone C is quiet for the moment. This is

because of the availability of a great area in Zones A and B, as a continuation of exploratory activity for petroleum and natural gas in mainland Australia, which has been going on since the 1970's. Exploratory operations for petroleum and natural gas in Australia began on the mainland and then continued under the northern coastal area of Australia and in the Timor Gap. A rather large amount of data was obtained.

In Zone C exploratory activity is still at a minimum. At present Indonesia is still concentrating on exploration off the east coast of Sumatra and in the Java Sea. In Indonesia's view, the Timor Gap is really a "frontier" area.

In any case, several efforts have been made to increase the level of exploratory activity in Zone C, including expeditions undertaken by the Baruna Jaya BPPT [Technological Research and Development Board] to collect data on Zone C.

Apart from that, the Timor Gap area is also included in the ongoing Marine Resources Evaluation and Planning (MREP) program in an effort to improve the planning capabilities of 10 of Indonesia's provinces.

Laos

SRV Military Delegation Begins Official Visit

Group Arrives 5 Jan

BK0601101295 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 6 Jan 95

[FBIS Translated Text] At the invitation of Comrade Lieutenant General Choummali Sai-gnason, member of the Lao People's Revolutionary Party Central Committee Political Bureau and national defense minister of the Lao People's Democratic Republic [LPDR], a high-level SRV military delegation headed by General Doan Khue, member of the Communist Party of Vietnam Central Committee Political Bureau and SRV national defense minister, arrived in Vientiane at 1230 yesterday [5 January] for a five-day official friendship visit to the LPDR.

A grand welcoming ceremony was officially held for the delegation at the National Defense Ministry. Upon its arrival at the ceremony, the delegation was warmly received by Comrade Lt. Gen. Choummali Sai-gnason and other high-ranking Lao military officers. After receiving a bouquet of flowers from a young girl and shaking hands with members of the official welcoming committee, Comrade Gen. Doan Khue, accompanied by Comrade Lt. Gen. Choummali Sai-gnason, took the stand to pay respects to the Lao and Vietnamese national flags while a Lao People's Army brass band played the Lao and Vietnamese national anthems. The two comrades also inspected the LPA honor guard at the ceremony.

On the evening of the same day, the high-level SRV military delegation laid a wreath at the monument of

revolutionary combatants and visited the Kayson Phomviharn Memorial in the City of Vientiane. After that a warm and lavish reception was held at the Latsavong Hotel by the LPDR National Defense Ministry to welcome the visiting high-level SRV military delegation. Attending the reception were Comrade Lt. Gen. Choummali Sai-gnason, deputy ministers of national defense, and a large number of high-ranking military officers attached to the National Defense Ministry.

Delegates Meet With Counterparts

BK0601153795 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jan 95

[FBIS Translated Text] A high-level delegation of the Lao People's Army headed by Comrade Lieutenant General Choummali Sai-gnason, Political Bureau member of the Lao People's Revolutionary Party Central Committee and national defense minister of the Lao People's Democratic Republic, and the high-level delegation of the Vietnamese People's Army headed by General Doan Khue, Political Bureau member of the Communist Party of Vietnam Central Committee and SRV national defense minister, held talks at Latsavong Hotel in Vientiane on the morning of 6 January.

The meeting between the two sides proceeded under an atmosphere of mutual understanding. The two sides informed each other of the situation in their respective countries, especially in political, cultural, and social fields. They also exchanged and learned lessons and experiences from each other, thereby further strengthening the friendly relations and special fraternal cooperation between the Lao and Vietnamese armies as well as between the two governments and peoples of Laos and Vietnam.

Prime Minister Receives Group

BK0701101295 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Jan 95

[FBIS Translated Text] At the (?Prime Minister's Office) yesterday, Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister, received a courtesy call from the high-level delegation of the Vietnamese People's Army headed by General Doan Khue, member of the Communist Party of Vietnam Central Committee Political Bureau and SRV national defense minister, who is currently paying a three-day official friendship visit to the Lao People's Democratic Republic [LPDR].

During the call, Comrade Khamtai Siphandon extended a warm welcome to the delegation and expressed the hope that its visit will be crowned with success, thus contributing to strengthening the special solidarity, friendly relations, and fraternal comprehensive cooperation between the two parties, states, and peoples.

Gen. Doan Khue expressed satisfaction with and thanks to Comrade Khamtai Siphandon for giving his entourage

a warm welcome. He commended the Lao people for their numerous victories and achievements in 1994 and expressed hope that the fraternal LPRP would successfully fulfill its noble revolutionary tasks in the coming year on the basis of the ninth resolution adopted by the 5th LPRP Central Committee led by Comrade Khamtai Siphandon.

Comrade Lieutenant General Choummali Sai-gnason, member of the LPRP Central Committee Political Bureau and national defense minister, also took part in the encounter.

Thai Senate Delegation Arrives for 3-Day Visit

BK0601134395 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 6 Jan 95

[FBIS Translated Text] A high-level delegation of the National Assembly [NA] led by Saman Vi-gnaket, its chairman, held talks with a high-level delegation of the Senate of the Kingdom of Thailand led by His Excellency [H.E.] Michai Ruchuphan, its speaker.

Attending the talks on the Lao side were Vongphet Saikeuyachongtouna, NA vice chairman; Khamliang Phonsena, chief of the NA Commission for Foreign Relations; Dr. Siho Bannavong, deputy chief of the NA Commission for Educational, Cultural, and Social Affairs; Noubeng Chanthasak, deputy chief of the Secretariat Commission; and a number of NA members. The Thai side was composed of General Wichit Bunyawat, second deputy Senate speaker; Surin Thattaphirom, chairman of the Administrative Commission; Withun (Thaksalaoha), senator and member of the Military and Economic Commissions; General Sirin Thupkam, senator and member of the Military Commission; and a number of technical personnel. Somphan Kokilanon, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, also attended the talks.

The talks proceeded in an atmosphere of intimacy and mutual understanding. The two sides informed each other of the activities of the legislative organizations of their respective countries. They noted that the relations between the two countries made progress in various fields and have been further strengthened. They expressed satisfaction with the outcome of socioeconomic development in each country, thus contributing to the security, progress, and prosperity of this region and the world. The two sides unanimously pledged to continue strengthening the time-honored friendly relations and cooperation between the two countries.

The high-level Thai Senate delegation arrived in Vientiane at noon yesterday to pay a three-day visit to Laos at the invitation of NA Chairman Saman Vi-gnaket. A grand welcoming ceremony for the Thai Senate delegation was held at the National Assembly hall in the presence of H.E. Saman Vi-gnaket; Boun-gnang Volachit, mayor of Vientiane Municipality; ministers and

deputy ministers; members of the NA Standing Committee and of the NA; and a number of authorities concerned.

Welcoming the delegation at Wattai airport were Khambou Sounisai, NA vice chairman; Somphan Kokilanon, Thai ambassador to Laos; and a number of officials concerned.

Prior to the talks, H.E. Michai Ruchuphan and his entourage laid a wreath at the Monument of Unknown Soldiers.

Prime Minister Establishes Khoun District

BK0701131895 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 6 Jan 95

[FBIS Translated Text] With reference to Article 60 of the Constitution of the Lao People's Democratic Republic, the Prime Minister's Decree No. 01/TPS dated 17 August 1994, a special characteristic on the geographical setting and administrative difficulties of the region concerned, and Recommendation No. 188 dated 26 December 1994 issued by the chief of the State Employees Management and Administrative Department, the prime minister has issued a decree:

Article 1: To set up Khoun District, which was formerly under the jurisdiction of Vientiane Province with the total population of 7,528 of which 3,671 are women, and which also has 27 villages comprising 1,451 households, and the total area of 184,000 hectares.

Article 2: To authorize the committee in charge of Saisomboun special zone to implement this decree in accordance with the special situation and characteristics of the district.

Article 3: The Prime Minister's Office, the Administration Department, the State Employees Management and Administrative Department, all equivalent organizations, provinces, and municipalities are required to acknowledge and implement this decree.

Article 4: This decree becomes effective on the day it is signed.

PASASON on Need To Promote Economic Ties

BK0501130595 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Jan 95

[PASASON 4 January editorial: "Continue To More Effectively Promote Economic Relations With Foreign Countries"]

[FBIS Translated Text] Pursuing the party's and government's policy of broadening economic cooperation with foreign countries, we have paid special attention to enhancing our cooperation with the SRV, the PRC, and the DPRK in various fields, namely, agriculture, industry, and (?services). At the same time, we have also promoted extensive cooperation with other countries on

the basis of equality and mutual benefits. Through such endeavors, we have managed to receive increasing assistance and loans from many countries. In the 1993-94 period alone, the total amount of foreign aid and loans acquired by our country reached U.S. \$211.7 million—U.S. \$141.4 million of which were in the form of gratis aid and the rest in the form of loans. This is quite a large amount of money compared with the total revenue we acquired from domestic sources during the same period. The foreign aid and loans have been spent in building the infrastructure for our economy, such as bridges, roads, irrigation facilities, and other public utilities. As a result of such spending, the level of knowledge and capability of our cadres in managing socioeconomic development and applying scientific and technological advances have also become very sound. All this has been achieved thanks to our party's correct leadership and the effective guidance provided by the party Central Committee and party committees at all levels as well as the support, assistance, and cooperation rendered by all friendly countries throughout the world and the various international organizations and institutions.

Of course, in the course of implementing the socioeconomic development plans in recent years, we have not been able to avoid encountering certain shortcomings and difficulties. Our efforts in attracting foreign investors to carry out business enterprises in our country still remain ineffective. At the same time, our endeavors to encourage people and various economic sectors to invest in national construction still remain weak and are encountering numerous negative responses. We still rely on state budgets in carrying out such activities. As a result, many of our socioeconomic development projects have not yet been translated into reality to become a firm foundation for building the economic infrastructure. In addition, the quality of our state apparatuses still remains very low. Our cadres and state employees in various services and localities lack a sense of discipline and responsibility in implementing the party's policies and enforcing the state's laws and regulations.

To continue to more effectively promote our economic relations with foreign countries, first of all, we must pay attention to gradually resolving all weak points and remaining problems. In the 1994-95 fiscal period, we expect to acquire a total of U.S. \$290 million from foreign countries—U.S. \$155 million of which is gratis aid and U.S. \$135 million is in the form of loans. Compared with the previous fiscal year, the amount of foreign capital acquired in 1995 will increase by 37 percent.

During the 1994-95 period, we must strive to more extensively and actively broaden our cooperation with all fraternal and friendly countries. At the same time, we must direct a large portion of international aid for carrying out rural development and environmental protection plans and for building needed socioeconomic infrastructure, implementing educational and cultural development programs, and consolidating administrative apparatuses. Therefore, it is necessary that we strive

more actively in consolidating our coordination, supervision, and control system in the utilization of foreign aid and loans. For example, we must consolidate certain organizations that are in charge of managing and coordinating work in acquiring foreign aid and cooperation [words indistinct]. In the meantime, we must review certain projects we have reached with foreign countries but which have not yet been effectively implemented so that we will be able to adjust them to conform to the objectives and direction of our country's socioeconomic development plans. If we are able to effectively do this, we will succeed not only in fulfilling the party's and state's policy in broadening our economic relations with foreign countries but also in meeting the objectives in carrying out the two strategic tasks of our country, that is, to defend and to build the new regime along the path we have already chosen.

Thailand

Source: Juridical Council Rules Against U.S.

BK0901103595 Bangkok MATICHON in Thai 9 Jan 95 p 17

[FBIS Translated Text] There has been a report from the Juridical Council concerning a request by the Phaisan Insurance Company to open branch offices in Thailand under Article 115 of the Provisional Clause of the 1992 Insurance Law. According to a source, the International Economic Policy Committee requested that the Juridical Council rule on whether the Phaisan Insurance Company is eligible to open branch offices under this article. The council discussed the matter with the Insurance Department and ruled that the Phaisan Company is not entitled to open branch offices in Thailand under this article. It may, however, seek permission from the commerce minister—and thereafter from the cabinet—to open branch offices under Article 7 of the Insurance Law. This is because the Phaisan Company is a foreign insurance company.

According to the source, the Juridical Council ruled that the Provisional Clause of the Insurance Law applies only to companies with offices that are separate from their head offices and that sought permission to open branch offices within one year of the Insurance Law coming into force. The Phaisan Company is a representative office by nature. The 1967 Insurance Act prohibits foreign companies from opening branch offices.

Although the company explained that it sought official permission to convert from a representative office to a branch within the first year after the promulgation of the 1992 Insurance Act, the Phaisan Company is still not qualified under Article 115 of the Provisional Clause of the law. The Juridical Council will report its ruling to the Economic Relations Policy Committee soon. If the company really wants to open branches in Thailand, it can seek permission under Article 7 of the Insurance Law. This may set a precedent for other foreign companies.

The Phaisan Company may also chose to adjust its shareholding structure to become a Thai company.

The U.S. Government has reportedly expressed great interest in the issue of the Phaisan Company applying to open branch offices in Thailand. U.S. President Bill Clinton made his interest in this issue known during a meeting with Prime Minister Chuan Likphai while they were both attending a summit of the APEC [Asia-Pacific Economic Cooperation] grouping.

Editorial Views Republican Congress, Clinton

BK0701112195 Bangkok THE NATION in English 7 Jan 95 p A6

[Editorial: "Clinton down but not out in face of Republican onslaught"]

[FBIS Transcribed Text] It's entirely premature to label Bill Clinton—halfway through his term of office and newly saddled with a hostile Congress—a "lame-duck president". The weaknesses and failings of his administration are clear enough to all, but what too few pundits are acknowledging is that the new crop of untested Republicans who are flooding into Washington are nothing more than Clinton was two years ago: green kids whose vision will outstrip their capabilities by an impossible margin.

Clinton ought to be nervous about the balance of his term—this is the first time in 40 years the Republicans have controlled both Houses of Congress—but perhaps he doesn't deserve to be.

If he's not replaced by his own party's doubting Thomases in 1996, Clinton stands a reasonable chance of re-election thanks to the Republicans' almost certain inability to live up to their blissfully naive "Contract with America", a ten-point pledge to give the country back to the common man, lower taxes and a dozen other windy concepts that, if they mean anything at all in the first place, will at the very least sound the Last Post for the social safety net that—until the Reagan/Bush years—had been cushioning millions of Americans from some very brutal economic blows.

At the same time, the new Republican majority in Congress knows it must be energetically interactive with the White House. One sure way of guaranteeing another four years of Democrat rule after 1996 is to be a "do-nothing" Congress, stalling any legislation that comes along. Reagan and Bush weren't the first presidents to garner a great many votes with that rebuke.

To Clinton's chagrin, the Republicans signalled their election victory by immediately launching a stinging broadside that took the wind out of the White House's sails. The party's newly canonized leaders, Newt Gingrich and Bob Dole, wrote to Clinton asking him to halt all executive orders for the new Congress' first 100 days in office, so that they could get on with making their spurious Contract with America a legal reality. With

American voters looking on with bated breath, the president had little choice but to cede the one tool in his kit that could counter Republican efforts to stymie his legislative advance.

In the other camp, meanwhile, Democrats disillusioned with Clinton's drift away from the liberalism of his campaign platform have thrown down the gauntlet for what they disparagingly call a "transitional" leader, but that term in itself could serve as a fitting defence of the president. He is indeed a transitional leader, one who's struggling with domestic and foreign policy only because all the rules of the game have changed since the global economy collapsed, followed quickly by the Soviet empire. None of the world's heads of state really know what he's doing or what will happen next on the international stage. Politics in the 1990s has become an unguided mystery our through an unmapped countryside.

Sound policy and budget cuts have levered up the US economy, and the trade pacts Clinton has secured can only help that trend continue. There have been tax credits for the poor, a vast anti-crime effort and the essential gun control legislation that his predecessors so long evaded. We have seen astonishing new peace accords in the Middle East, denuclearization in North Korea and the former Soviet republics and the Partnership for Peace in Eastern Europe.

We have also seen rapid and effective deployment of American troops in Kuwait and Haiti, albeit with some dubious justifications, and the admittedly failed (Bush-launched) excursion into Somalia. For the horror that goes on in Bosnia-Herzegovina, Clinton cannot be entirely blamed, as he so often is. He urged Nato to act; European allies vetoed the call.

Closer to home, sadly, there was "the China mistake". Clinton made it clear from the outset there would be no business done with Beijing without clear proof that the human rights situation there was improving. It has not; Washington and Beijing are making deals anyway.

Trade with the East certainly has made strange bedfellows of former foes. After some drawn-out waffling over the possibility that MiAs may still be alive in Vietnam (in fact, whether Americans were willing to finally put that nightmare war behind them, and were they willing to allow a former draft dodger to engineer the shift), Washington openly embraced Hanoi. It was a move bitterly contested stateside, but an inevitable and sagacious one nonetheless.

The president's track record on foreign policy is frequently ridiculed; careful consideration of the facts suggests this is unfair.

Again, it is in the domestic theatre where the Clinton presidency faces its greatest peril. Whitewater will continue to haunt him, and an accusation of sexual harassment (while he was still governor) will not soon go away. His own Democrats pose a threat, but none so great as

that of the Republicans, who laid waste to his much-touted health care reform bill even before they received a huge mandate from the electorate to carry on doing more of the same.

Will Clinton survive to serve another term? The odds are only slightly in his favour, but consider this: a recent Gallup poll put his popularity at 43 per cent, surely a key factor in emptying Congress of Democrats this past November. But at the same point in his administration, Ronald Reagan—who has somehow managed to go down in the history books as one of the most popular of all American presidents—stood one percentage point lower.

Finance Minister Fetes British Counterpart

BK0601100595 Bangkok Radio Thailand Network in Thai 0000 GMT 6 Jan 95

[FBIS Translated Text] Thailand and the United Kingdom have agreed to jointly push for positive talks in the financial field in the World Trade Organization, as targetted previously.

Finance Minister Tharin Nimmanhemmin hosted a dinner for the visiting British chancellor of the exchequer and his delegation yesterday evening. At the dinner, the Thai finance minister said that the visit to Thailand by the chancellor of the exchequer of the United Kingdom and the delegation from the British private sector shows that they have confidence in the Thai economy and foresee investment opportunities in Thailand.

Apart from exchanging experiences in privatization, state enterprises, and joint ventures, both sides have formally shown their intention of pushing for talks on trade and services in the financial field to put them in line with the guidelines set by the World Trade Organization.

[Begin Tharin recording] He [British councillor of the exchequer] is leading a team of businessmen from various fields such as electricity generation and distribution, finance, and securities. Many of them have expressed interest in investing in such fields in Thailand. I informed them of the current situation in Thailand regarding business operations in those fields. They will also have opportunities of meeting Thai businessmen during the remainder of their trip." [end recording]

Government Urged To See Opportunity in WTO

BK0601133995 Bangkok THAI RAT in Thai 6 Jan 95 p 3

[Editorial: "The Golden Opportunity in the WTO"]

[FBIS Translated Text] Despite the tense political situation in the country—the argument about the foreign minister's qualifications as a result of the third reading passage of the draft Constitution having become a new weapon for the Opposition to shake the government's stability; to be used together with the bomb blast at Hat

Yai railway station and the land reform scandal—we still want the government to pay special attention to the World Trade Organization [WTO].

We must give credit to our past efforts in laying a good foundation for our country in the WTO. At the beginning, we did all the necessary work to enable our country to apply for WTO membership before the end of 1994. Consequently, Thailand is labelled as the 59th founding member country and entitled to various privileges, which other countries joining the organization later will not have. Meanwhile, Danai Dulalampha has been appointed head of the Thai permanent delegation to the organization. Danai is so far the most qualified person for that post.

On the question whether the head of the Thai permanent delegation should be under the jurisdiction of the Commerce Ministry or any other agency, we should wait and see how the big nations like the United States, Japan, the United Kingdom, and Germany handle this issue. So far, these countries have not yet make any decision. However, there is a possibility that they might set up specific agencies to deal with WTO affairs.

We want the present government to try its utmost to have as many as Thai nationals work in the WTO. There are quite a few committees in the WTO and we should try to secure the posts of chairmen of these committee. Placing our people in the WTO can serve the country's interests in the long run. We fully agree with the government's move to send Danai Dulalampha to vie for the post of chairman of the WTO agricultural organization, because Thailand is one of the world's six major food-producing countries.

Whether we will have that post or not depends, to a certain extent, on the major powers. Before the United States, Australia, and any other European countries make any attempt to secure the position, Thailand should start a campaign to muster support from friendly countries. At least, ASEAN and APEC [Asia-Pacific Economic Cooperation] countries should be able to help Thailand in this regard.

We recommend that the government encourage qualified government officials to work with the WTO. The officials who work for the WTO should be able to retain their positions and only their salaries should be suspended. Such a condition will encourage many officials to work with the WTO, which will be for the benefit of our country's future.

Cambodian Border Inspected; Pol Pot Rumored Dead

BK0901142895 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 9 Jan 95

[FBIS Translated Text] The foreign minister has led a group of foreign diplomats and journalists on an inspection of the Thai-Cambodian border.

Before beginning the journey this morning, the foreign minister briefed the envoys on the border situation. He said the purpose of the trip was to create understanding and to enable the envoys to see the actual situation, particularly regarding allegations about Thai support for the Khmer Rouge. The foreign minister informed the journalists that they would visit An Ma Pass in Ubon Ratchathani and Chom Pass in Surin Province. He hoped that the trip would result in the world community viewing Thailand in a better way.

The envoys and journalists asked questions of the soldiers that received them in the field. Lieutenant General Surayut Chulanon, Second Army Region commander, briefed the visitors on the general situation. He explained Thailand's position toward the Khmer Rouge, denying allegations of Thai support for the Khmer Rouge.

Speaking to journalists, the foreign minister said it has been proven that Thailand does not support the Khmer Rouge. From now on Thailand will rebuke any country that repeats these allegations. He said the reopening of the border crossing at An Ma Pass will be determined by the situation:

[Begin Thaksin recording] It is necessary to show the world our sincerity toward our neighboring country. Not that we care, but the point is that we have to have contact and conduct trade with people in many parts of the world. We must have a good image. To achieve a good image, other countries must be allowed to see the actual situation for themselves and ask questions of Thai and Cambodian officials. In this way, they will be able to see how much energy we have devoted to this issue. [end recording]

Meanwhile, our correspondent in Sakaeo Province reports that last night Khmer Rouge Division 519 attacked and overran the forward command of Cambodian Government Division 7.

A rumor circulating in Sisophon and Poipet says that Khmer Rouge leader Pol Pot has died in Pailin due to a long illness and old age.

At noon today, Cambodian Government Division 2 fired 10 rockets at the base of Khmer Rouge Division 450 opposite Ban Wang Mon in Aranyaprathet District of Thailand's Sakaeo Province. The sound of gunfire could be heard in Aranyaprathet District, causing panic among the population. No shells landed in Thailand, however.

Border Official on Rangoon-Karen Fighting

BK0901025595 Bangkok BANGKOK POST in English
9 Jan 95 p 3

[FBIS Transcribed Text] Tak—Rangoon soldiers have continued to launch heavy attacks against Karen National Union (KNU) positions near the Thai-Burmese

border opposite Tak's Mae Sot district, with the aim of capturing its headquarters by this coming dry season.

A border official said yesterday that Burmese troops from Pa-an, capital of the Karen state, led by Col Sein Win have been ordered to capture the KNU's Kawmoora camp.

Chairman of the Local Thai-Burmese Border Committee (Thai side), Col Direk Yem-ngamrup, was also invited to discuss the border situation with senior Burmese officials at Myawaddy.

Col Direk informed the meeting that Thailand will not intervene in the Burmese crackdown on the rebels which Bangkok sees as Burma's internal affair. But Thailand will put its troops on alert along the border to beef up security for villagers and to maintain its sovereignty.

Col Direk told the meeting that if there is any intrusion into Thailand by either force or firing, Thai troops will take steps to correct the situation by firing warning shots.

"Anyone who flees across the border into Thailand will be disarmed and detained," he said.

The Third Army Region yesterday afternoon ordered Thai border troops equipped with heavy weapons to prepare to provide protection for villagers living along the border.

Thai border patrol police and rangers and 105mm artillery pieces have been positioned near Mae Sot since mid-December last year, the source said.

On the other side of the border, about 1,500 Burmese troops have been stationed in front of Kawmoora camp and have shelled it continuously since mid-December, the source added.

Two 120mm artillery pieces and troops have also taken up positions near Myawaddy-Tingkanyinaung route.

About 1,000 porters from border provinces, including Myawaddy have been recruited to transport supplies.

The KNU, in turn, had placed about 700-1,000 troops in defensive positions and fired artillery in counter-barrage operations.

The border official also said Burmese troops had exploited the internal conflict between factions inside the KNU by stepping up operations to capture the rebel base.

Air Force Chief Sees Need To Boost Air Power

*BK0701093395 Bangkok THE NATION in English
7 Jan 95 p A1*

[FBIS Transcribed Text] The air force chief yesterday reiterated the need to boost Thailand's air power, which he described as essential leverage in the increasingly fierce international "trade war", and confirmed reported plans to purchase more jet fighters.

Informed sources said yesterday that the potential shopping list included US F-15, F-18 and British-made Tornados. The Soviet MiG-29, which Moscow has repeatedly offered to sell on a counter-trade basis, also has not been ruled out.

According to Air Force Commander-in-Chief ACM Siriphong Thongyai, Thailand needs state-of-the-art hardware to maintain its military preparedness, to deter potential enemies, and to allow it to negotiate from a position of strength in political and business deals with other countries.

"In the future the trade war will become much fiercer than in the past decade," Siriphong told reporters paying him a New Year's visit to wish him well. "And if we want to succeed on the negotiating table, we have to be backed by military strength. Otherwise you lose even before the talks begin."

Siriphong confirmed reports that the air force was contemplating various purchase of new major weapons including combat aircraft. But he declined to elaborate.

He said he did not expect opposition from the Cabinet since the proposed purchases were "justified" by current political and economic trends.

He insisted that Thailand's military policy remained strictly on a non-aggressive self-defence basis, and was not shifting to expansionism. But he said military strategists had to anticipate possible threats to security in the foreseeable future as well as political factors.

"We need to prepare ourselves in the face of volatile political and economic situations in the world. We must be equipped to fend off possible aggression in the future. We must know what our enemies have so that we can have better things which can keep them away. Moreover, political talks will be easier if we are stronger," Siriphong said.

He voiced confidence that if the proposed purchases were implemented Thailand's air superiority over its neighbours would be assured.

"This is not expansionism. Our policy is to have small amounts of arms, but what we have must be high-tech and very powerful," he said.

Working out the shopping list would take some eight months to complete, Siriphong said, adding that it would take another three years to clear the Cabinet and work out final deals.

Air force strategists led by Chief of Staff ACM Amon Naeomali are now discussing potential choices of new jet fighters to boost the existing fleet which has embraced US F-16s, one of the world's most sophisticated combat aircraft. A wing of F-16 fighters has already been commissioned and another wing will be commissioned by the end of 1995.

Amon's team has been contemplating the purchase of F-18s, F-15s, or British-manufactured Tornados, according to informed sources.

"We haven't sidelined the Russian MiGs yet," a source said.

The F-15 is the fastest and equipped with the best radars, the source said. The F-18 is also effective in long-range attacks and is often used for assaults on naval fleets. The Tornado is fast with great maneuverability at low altitude.

—Indonesia has urged Bangkok to buy planes from its maker of CN-235 aircraft in a counter-deal for recent purchase of rice, Foreign Minister Ali Alatas said after Thai Foreign Minister Thaksin Chinnawat met President Suharto in Jakarta.

Thaksin, who is on a two-day visit, said Thailand would like to buy Indonesian aircraft but would first need to consider public opinion back home.

Army Targets Foreign Press in PR Campaign

BK0801105095 Bangkok THE SUNDAY NATION in English 8 Jan 95 pp B3, B7

[FBIS Transcribed Text] With the recent spate of accusations against the Thai Army by foreign governments and press agencies, concerning its alleged support of the outlawed Khmer Rouge, the army has launched a massive public relations campaign to defend the country's policies towards Phnom Penh and also safeguard itself against any future allegations.

Army spokesman Col Phalangkun Klahan said it was the Army's duty to liaise with the Foreign Ministry and other government agencies "on the front row" when dealing with such allegations. He said the Army cooperates by providing the ministry with information sent in by military officers in the field, and the ministry forwards related documents or reports to foreign diplomats abroad.

"When fighting erupts in an area near the Thai-Cambodian border, the Thai units responsible report the incidents to Army headquarters and we then pass on the information to the Foreign Ministry," he said.

The Army also cooperates with the Interior Ministry when considering closing border points. As an example, he cited the closure of the An Ma checkpoint following the recent massacre of Thai loggers in Cambodia.

Phalangkun said the Army further responds to unjustified allegations by presenting evidence such as videotapes, related documentation and photocopies of pictures to Army assistant diplomats in 18 foreign countries, proving, he says, that it does not provide assistance or shelter members of the outlawed guerrilla faction.

The spokesman noted that Thailand has been accused of aiding the Khmer Rouge by foreign press agencies, including AGENCE FRANCE-PRESSE, ASSOCIATED PRESS, REUTERS, UNITED PRESS INTERNATIONAL and ASAHI SHIMBUN, but none have come up with any proof when challenged.

"Our country has been badly affected and discredited by such allegations. When there is a battle on Cambodian soil and the government forces lose, we're always blamed by these agencies, as well as foreign governments, for supporting the outlawed guerrillas."

To provide safeguards against such accusations, he said, the army regularly invites the media and foreign military diplomats stationed in Thailand to visit areas along the border, in order to view the situations first-hand and see how the Army conducts itself.

The Army has also tried to rectify misunderstandings among foreign countries and media to change their attitude about Thai policy concerning Cambodia.

"To change their attitude takes time, but I believe they will stop criticizing Thailand when they see they're unable to produce evidence to substantiate their allegations every time we challenge them."

Phalangkun said allegations that Thailand harbours Khmer Rouge troops were almost always based on outdated information. Australian Prime Minister Paul Keating made his own widely-publicized accusation to that effect, but he too failed to provide any evidence.

The Army holds regular press conferences on the situation along the Thai-Cambodian border, even though there is no current emergency.

Phalangkun said in order to improve efficiency in the Army's intelligence unit, a helicopter equipped with cameras has been provided—a plus to the force's public relations efforts as well.

The army has of late had no public relations problems, he observed, but the Thai media's failure to screen reports by foreign press agencies is an ongoing problem, tarnishing the country's reputation.

"I'd like the Thai media to check the information they receive from foreign press agencies concerning the Army. The media should provide us with a chance to explain before they print reports which harm the country."

If the army doesn't have a chance to explain circumstances before the reports are publicized, readers take them for being factual, he said.

Anyone who is suspicious of the army's role and intent, he added, should visit the trouble spots in question—local reporters and villagers would speak out if the Army had acted inappropriately.

Many Thais living along the border have been injured or killed in the fighting, but neither side has claimed responsibility.

Muslim Separatists Said Behind Blast in South

BK0701094895 Bangkok BANGKOK POST in English
7 Jan 95 p 3

[FBIS Transcribed Text] The outlawed Pattani United Liberation Organisation was responsible for Tuesday's bomb blast in Hat Yai, according to a report by Special Branch police.

The report shows that a senior PULO member, identified as Rosadi or Bang Loh, met the two alleged saboteurs who died in the blast, Sukri Langji and Brahim Liwong, in Satun in October.

The report, which was passed to Interior Minister Sanan Khachonprasat, says Rosadi received military training in a Middle Eastern country in late 1980, and was sent by the organisation to work with Hayi Sama-e Thanam, known as the commander of PULO's military wing.

"He usually lives with Sama-e Thanam in Malaysia and crosses the border for military operations," the report says.

It says PULO has sympathisers in Satun Province and the two killed saboteurs were reported to be present during a meeting held in the province last October.

The chairman of the Satun Islamic Provincial Committee, Bahri Mea-laem, earlier ruled out the possibility that the two killed saboteurs were members of any terrorist gang. Bahri said it was likely that the saboteurs were hired.

Special Branch police predict that more acts of sabotage will be carried out by PULO members in the southernmost part of the country and in Bangkok, a source said.

The Interior Minister has not yet drawn any conclusions on the matter, and a top Special Branch officer has been asked to travel to the area to get first-hand information, according to a source close to the minister.

"Government intelligence units working in the southernmost part of the country have presented different theories about the cause of the blast," said a source in the Interior Ministry.

One military source said that in a report prepared for Supreme Commander Gen Wattthanachai Wutthisiri, an intelligence unit from the Supreme Command working in the region has ruled out PULO involvement.

Vietnam

Radio Reviews Relations With U.S. in 1994

BK0701135795 Hanoi Voice of Vietnam in English
1000 GMT 6 Jan 95

[FBIS Transcribed Text] One of the major events of 1994 was the exchange of relations between Vietnam and the United States. The Voice of Vietnam now reviews those developments:

In 1994, the U.S. took several positive steps, the most major being the lifting of the trade embargo against Vietnam. Earlier, in July 1993, the U.S. had lifted restrictions allowing international financial organizations to provide loans to Vietnam and help it to clear its debt to the World Bank. The two sides, since the embargo being lifted earlier this year, conducted a number of talks to solve the mutual property issue. Results of these talks laid the ground for the establishment of liaison offices in the respective capitals. Reliable sources report that the two liaison offices will be opened in Washington and Hanoi early in January. Together with the prospect for the opening of liaison offices, bilateral economic ties have also been developing rapidly. On 10 August 1994 the U.S. Congress decided to lift the ban on direct aid to Vietnam and relations between the two governments gradually took shape. In September alone, two U.S. government delegations visited Vietnam and the commercial and aviation delegation came to Vietnam to negotiate ties between the two countries.

Economic ties have been developing rapidly in the private sector. Within nine months since the embargo disappeared, the number of the American companies present in Vietnam almost doubled from 35 to 65 and their investment increased from \$2.5 million to \$171 million. This brought the U.S. from 24th to 13th among foreign investors in Vietnam. Cultural and educational relations have also been steeped up with exchange of delegations from Vietnam and the United States. In November, a delegation of the U.S. Information Agency led by its deputy head, Mr. (Royce Lloyd), came to Vietnam to review bilateral activities and prepare for further cooperation.

1994 also witnessed important diplomatic developments between Vietnam and the United States. Vietnamese Deputy Prime Minister Tran Duc Luong went to the U.S. for a three-week seminar organized by American businessmen to discuss economic cooperation between the two countries. Vietnamese Foreign Minister Nguyen Manh Cam, while attending the 49th session of the UN General Assembly in New York, also met with his U.S. counterpart, Mr. Warren Christopher, and many other American senior officials. Another noteworthy event was that last year the first Vietnamese trade fair was held in the United States. These activities helped both sides develop a better mutual understanding to promote bilateral ties.

However, the development of comprehensive bilateral relations have been limited because the U.S. has not yet guaranteed investment protection for American businessmen working in Vietnam. Neither has it granted most favored nation status for Vietnam. That is because relations between the two countries have not yet been completely normalized. It is expected they will be fully normalized soon.

Vietnam and the United States have both been joining efforts to solve the MIA issue. In 1994, Vietnam handed

over to the U.S. over 500 sets of remains of American soldiers and provided the U.S. with a number of documents relating to Americans reported missing in the war. The U.S. also handed over to Vietnam information on missing Vietnamese soldiers. Many American leaders have appreciated Vietnam's goodwill and active cooperation in solving the MIA issue and expressed their wish to have a further cooperation with Vietnam in that field.

It is expected that 1995 will see more important turning points in Vietnam-U.S. relations.

Cooperation Statement Signed With Germany

*BK0701154095 Hanoi VNA in English 1510 GMT
7 Jan 95*

[FBIS Transcribed Text] Hanoi VNA Jan. 7—Vietnam and Germany have committed themselves to promote their political, economic, cultural, scientific and technical relations.

A joint statement in this effect was signed in Ho Chi Minh City on Friday. Signatories were cabinet minister and Head of the Government's Office Le Xuan Trinh and Ministers of State of Germany Bernd Schmidbauer and Werner Hoyer, who paid an official visit to Vietnam from Jan. 3-6 as envoys of Chancellor Helmut Kohl.

The document covers such activities as to increase development aid, broaden guarantee for Hermes credits, encourage German businessmen to invest in Vietnam, and support the signing of an economic agreement between Vietnam and the European Union. The two sides also agree to push up high-level political negotiations. Especially, they welcome a planned Vietnam Visit of Chancellor Kohl. Furthermore, the two sides agree to solve the outstanding problems between the two countries in the spirit of goodwill and mutual understanding.

While in Vietnam, the two German ministers paid a courtesy visit to Prime Minister Vo Van Kiet and met with Foreign Minister Nguyen Manh Cam. The guests also met and exchanged views with Minister Le Xuan Trinh on promoting and broadening the relations between the two countries with a view to developing the relations in accordance with the potential of each side.

The German officials also met with the First Vice Interior Minister Pham Tam Long and the Mayor of Ho Chi Minh City Truong Tan Sang.

Vo Van Kiet Urges 'Tighter Controls' on Media

*BK0901154595 Hong Kong AFP in English 1019 GMT
9 Jan 95*

[FBIS Transcribed Text] Hanoi, Jan 9 (AFP)—Vietnamese Prime Minister Vo Van Kiet has called for tighter controls on the country's media and urged the official press to improve its standards, a news report said Monday.

"The media should be managed by law," Kiet told a meeting of journalists from the country's state-controlled press in the southern commercial hub of Ho Chi Minh City on Sunday, the SAIGON GIAI PHONG newspaper said.

"Here we do not have a private-owned press," he said, calling for resolute action against "cheap media, the sowing of confusion in society and the non-observance of the press code."

Kiet said inaccurate data and figures, as well as imprecise information, had "brought trouble to the administration of the government and local authorities."

"Media is an up to date information channel which is very important to the government's direction," he said, warning that some newspapers lacked "caution, objectivity, causing an adverse effect on the public opinion."

The premier, referring to the country's fast-growing advertising business, warned of over-commercializing the media, saying: "If we sell advertisements for the sole purpose of profit, then the independence and sovereignty of the press will be affected."

Kiet also called on the press to "positively contribute" to the country's economic reform programme, to the strengthening of the Communist Party and to encouraging foreign investment.

Kiet is a driving force behind the country's programme of economic reforms launched in 1988 and which has boosted Vietnam's growth rate to eight percent this year.

Vo Van Kiet Meets Catholic Archbishop 7 Jan

*BK0701153295 Hanoi VNA in English 1505 GMT 7
Jan 95*

[FBIS Transcribed Text] Hanoi VNA Jan. 7—Prime Minister Vo Van Kiet today reiterated that in furtherance of the government's policy of religious freedom and the authorities at all levels will create more conditions for the Vietnamese Catholic church and followers nationwide to practise their religion and contribute more to national development to help get the country out of poverty.

The P.M. was speaking with Archbishop Nguyen Van Binh who paid him a courtesy visit in Ho Chi Minh City this noon. Host and guest compared notes on the local party organization and local authorities' care of the activities of the Catholic church, the daily life of needy Catholics, as well as the requirements of the current renovation process toward the Catholic church and followers as a whole.

In reply, Archbishop Nguyen Van Binh expressed his joy at the rapid development and achievements recorded in the renewal process under the leadership of the Communist Party of Vietnam in recent years. He said he would

do his best in his capability to encourage all Catholics to join efforts with the entire people to step up the process of renovation.

Conference Views 1995 Socioeconomic Tasks

BK0801154795 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Jan 95

[FBIS Translated Text] The government held a new year's conference at the Thong Nhat Conference Hall in Ho Chi Minh City on 5-7 January with the chairmen of people's councils and people's committees in provinces and municipalities throughout the country to discuss measures to carry out the 1995 socioeconomic tasks in a satisfactory manner. Attending the conference were many ministers and directors of general departments along with 106 chairmen of people's councils and people's committees of provinces and municipalities. Of these, 38 and 28, respectively, were newly elected chairmen of people's councils and people's committees. Also attending the conference were National Assembly Chairman Nong Duc Manh; State Vice President Nguyen Thi Binh; Le Quang Dao, chairman of the Vietnam Fatherland Front Central Committee; many leading cadres of party Central Committee departments; and representatives of political and mass organizations. Prime Minister Vo Van Kiet and Deputy Prime Ministers Phan Van Khai, Nguyen Khanh, and Tran Duc Luong jointly directed the conference.

In his opening speech at the conference, Prime Minister Vo Van Kiet reviewed the great efforts made by the government and various ministries, sectors, and localities to carry out the 1994 tasks. He also stressed the numerous difficulties and shortcomings that must be overcome as soon as possible. Prime Minister Vo Van Kiet said:

[Begin Vo Van Kiet recording] There are many issues in the implementation of the 1995 socioeconomic tasks that require in-depth discussion. I would like to stress some key issues.

First, we must realize that 1995 is a pivotal year in which we must fulfill and overfulfill all targets for the 1991-95 five-year development plan. This will create momentum for fulfilling various socioeconomic targets up until 2000. Only by fulfilling these targets will we be able to continue to develop our nation and solidify the achievements made since the implementation of the renovation process. If we fail to fulfill these targets, our socioeconomic development program will face the threat of a setback. We all realize that there are numerous difficulties we must strive to overcome in 1995. These include the expanding development targets and the large gap between our abilities and requirements in the new situation, especially in the areas of capital, infrastructure projects, industry, markets, and so forth. Besides, there are still many major issues left over from 1994 that must be resolved quickly. As a result, the whole country must

make greater efforts to fulfill the 1995 socioeconomic development targets triumphantly.

Second, there are many new issues in our national development program that must be quickly resolved, while weaknesses are still prevalent in the management of our new mechanism. If we fail to overcome these shortcomings, we will face obstacles and lose good opportunities to develop our nation. We cannot optimally exploit our nation's potential if we maintain the ineffective state management system while allowing negative phenomena to spread in society. Our friends and economic partners will not tolerate the bureaucratism and superfluous procedures that currently exist in our country. As a result, it is necessary for us to strive to reform our administration to build pure, firm, strong, and effective state apparatuses. In 1995 we must make greater efforts to fulfill these tasks while remaining fully aware of the fact that 1995 is the decisive year for overcoming various shortcomings and weaknesses in our state management mechanism. [end recording]

As authorized by the prime minister, Government Head Office Minister Le Xuan Trinh reviewed the government's administrative work in 1994 and the work program for 1995, which consists of the following:

- To focus on removing obstacles to production and business activities in terms of legal framework, policy, organization, and personnel so as to boost the development of all economic elements at a greater pace;
- To reform the financial and monetary management network, improve planning and methodological tasks, and renovate the management style of all types of business establishments;
- To strengthen external relations and external economic activities;
- To implement and improve the quality of social and cultural programs;
- To implement security and defense strategies; and
- To reform the administration system.

Minister Do Quoc Sam, chairman of the State Planning Commission, and Finance Minister Ho Te reported on the implementation of the annual targets and budgets for 1994, the plan on basic construction capital, and the 1995 budget allocations to localities and various sectors.

State Bank Governor Cao Sy Kiem; Trade Minister Le Van Triet; and Minister Dau Ngoc Xuan, chairman of the State Commission for Cooperation and Investment, spoke on the directions and measures for developing capital mobilization, credit, import-export management, and the improvement of procedures for foreign direct investment.

Deputy Prime Minister Tran Duc Luong reported on the controversial and complicated issue of land law enforcement. He discussed the state management authority in general and land allocation and municipality planning for 1995 in particular.

Culture and Information Minister Tran Hoan reported on the content and orientations for celebrating national holidays in 1995 in accordance with the guidance of the party Central Committee Secretariat.

The local leaders were given ample time at the conference to express their opinions. Many chairmen of people's councils and people's committees of provinces and cities praised the energetic and effective management and administration by the government and other sectors last year. They also affirmed their determination to implement state plans in 1995. Based on experiences in their provinces and cities, the officials contributed suggestions on policies and management work at the macro level aimed at improving coordination on targets and plans for 1995 to ensure speedy, stable, and effective development.

The issues that drew special attention from the conference participants were policies and measures to increase revenue and reduce expenses; curb state property losses; draw up the directions and structures for future investment in sectors and economic regions; search for capital investment sources for industry and infrastructure in order to speed the pace of development and make the economic system advance; enhance the quality of cultural and educational activities; provide better care for people in remote and inaccessible areas, ethnic minority areas, or former revolutionary bases; suppress social vices; and further train and retrain the contingent of cadres.

In his speech to conclude the conference, Prime Minister Vo Van Kiet highly valued the participants' suggestions regarding the government's performance in 1994 and the direction for successfully implementing state programs in 1995. The prime minister urged all sectors and echelons to maximize the mobilization of resources to fulfill the socioeconomic plan for 1995 successfully; improve order and stability; and carry out reforms in the administration system to make the state management network clean, steadfast, and efficient.

Government Head Office Minister Le Xuan Trinh held a news conference at the Unification Hall in Ho Chi Minh City on the afternoon of 8 January. Details of this news conference will be reported in a later program.

*** Socialist Orientation Seen as Utopian Goal**

952E0026A Hanoi TAP CHI QUOC PHONG TOAN
DAN Oct 94 pp 23-26

[Article by Ho Van Chien, M.A., Central Ideology and Culture Department: "Is Advancement to Socialism an Illusion?"]

[FBIS Translated Text] When carrying out their plot to eliminate socialism, the hostile powers first of all make all-out efforts to shatter socialist ideals and shake our people's belief in Marxism-Leninism and the thought of Ho Chi Minh. One of the schemes they have used and are using is to negate socialism in both theory and

practice. Very regrettably, there are also many people who are so misinformed that they are suspicious of the line of advancement to socialism that Uncle Ho, our party, and our people chose and have endeavored to follow. They think that our selection of the line of advancing to socialism was an "illusion" and amounted to entering a deadend street of history. They use the collapse of the Soviet Union and Eastern Europe as proof.

With regard to theory, they make the following argument to negate the path of advancing to socialism:

1. Our country does not yet have sufficient conditions to advance to socialism. According to them, "Marx created the communist model for the most developed nations, not for Vietnam (an underdeveloped nation)."¹ Therefore, "Both communism and capitalism are products of foreign countries"² and "only the nationalist spirit and survivability of the Vietnamese race are eternal." Such people often "recommend" that the party abandon the socialist path and "return to the democratic national revolution."³

2. When our party achieved results in implementing its renovation policy, they declared that we had abandoned the path of advancing to socialism, or must abandon that path sooner or later. They try to distort the renovation undertaking: "It is a line and policy that allows foreign capitalists to earn large profits," and they even exclaim that "there is taking form an alliance between the communist party and the capitalist profiteers" and "our economic sovereignty is gradually being lost to foreign countries!"

3. There are also people who deliberately seek out contradictions in our renovation process in order to negate the path of advancement to socialism. They say, "It must be admitted that there has never been a communist party that has accepted and instituted a socialist-oriented market economy as boldly as the Communist Party of Vietnam." However, "a socialist-oriented market economy is a contradictory concept. Socialism as a social system (according to the classic definition, a system that with regard to its economy must be based on public ownership of the means of production, centralized leadership, planning, etc.) is clearly contradictory to a market economy." Some people with more evil intentions say that "In Vietnam, the Communist Party of Vietnam is leading the nation to socialism with a market economy that has five economic components but in which the state sector plays the leading, key role. A hybrid model will not be socialist and also will not be capitalist."⁴

In brief, they believe that we are renovating primarily to abandon the socialist path because socialism is not in accord with a multi-component economy and a market structure. The reason is that we do not yet have conditions for advancing to socialism.

Here we only want to have a dialogue with people who are standing within our ranks but have misrepresented theoretical viewpoints of a scientific nature.

First of all, is socialism in accord with a multi-component economy in which the state sector plays the leading role? It must be admitted that for a time we misunderstood, or understood simplistically, the Marxist-Leninist slogan of "eliminating private ownership." The renovation process has helped us understand it more fully. According to Marx, the basic law of social development is that the production relationship must always be in accord with the nature and level of the production forces. The production forces always develop along pluralistic lines of diversification because a new, higher production force does not completely negate the old force but only controls it. Therefore, the economic components, with the status of having ownership, a component factor of a production force, become increasingly pluralistic. But there continues to be one leading form. Under capitalism, the leading component is the private capitalist economic component. Under socialism, the guiding component is the state economy. For that reason, according to Marxism the elimination of private ownership does not mean the complete elimination of private ownership or making leveling the measuring stick. "The active elimination of the system of private ownership...takes place consciously and retains all of the richness that has been achieved."⁵ In other words, it is necessary to enable the public ownership factor to rise to a higher level and be more efficient than the private ownership factor. When the problem is stated that way it is apparent that the line of a multi-component economy in which the state economy plans the leading role is in accord with social laws and is in complete accord with the concepts of Marxism-Leninism.

What about the market mechanism? Is there such a thing as a market economy with a socialist orientation? The renovation process begun and led by our party has helped us correctly understand the market economy and the market mechanism. When studying markets, Marx correctly indicated that a market is a historical phenomenon with a beginning and an end. The market will be replaced by direct production, but that will be a long time in the future. Also according to Marx, the market relationship took form when the primitive communes disintegrated. The international market relationships also took form during the BC era. That means that the market existed in the slave, feudal, and capitalist ownership systems. Today, we are witnessing the expansion of market relationships on a global scale. Therefore, before speaking of a market economy with a socialist orientation let us consider whether or not there is a capitalist-oriented market.

The era of absolutely free markets guided by abstract "invisible hands" has passed. Today, in the developed capitalist countries there are different types of market economies: the "regulated market economy" in the United States, the "guided market economy" in France, the "social market economy" in Germany, the "democratic social market economy" in Norway and Sweden, the "market economy controlled by the government and guided by plans" of the Four Dragons, and so on. Thus

those types of market economies have an orientation that allows market development to follow the capitalist orbit, with thousands of laws to maintain that orientation. That orientation has maintained the capitalist system, in which 70 percent of the profits go to one percent of the wealthy people. Therefore, the market economy with a socialist orientation seeks to find a way to overcome that contradiction of capitalism and being about social justice and the development of production. As long as there is a division of social labor and trade the market economy will continue to develop. The difference between the capitalist and socialist market economies lies in their social nature, in what economic component plays the leading role in the economy. All that has been said so that people who misrepresent our renovation undertaking can understand that our policies and lines are based on scientific theory.

What about the question of whether or not we have sufficient conditions to advance to socialism? It is true that we are still in a backward situation with regard to the level of production forces and that our living conditions are still low. Marx was correct in his initial analysis of capitalism and concluded that socialism will come about in the most developed countries. But after entering deeply into studying the dialectical development of history, Marx and Engels reached the conclusion that socialism could arise spontaneously in average capitalist countries or in underdeveloped countries. Feudalism and capitalism also arose under those conditions. When studying capitalism, Marx, Engels, and Lenin saw clearly that the capitalist system appeared before it had its principal material bases. It appeared during the period of manual labor. That is also a dialectic of history. Today, we are in a period of transition to socialism. Although we do not have all of the material bases, there exist such prerequisites as a leading communist party; a state of the people, by the people, and for the people; mastership by the workers; a multi-component economy in which the state component plays the leading role; a progressive culture with a strong national flavor; a people who have been liberated from exploitation and injustice; and ethnic groups who have solidarity, have friendly and cooperative relations, etc. It is incorrect to say that there are no conditions for advancing to socialism and to ask for a retreat to the national democratic revolution. We have carried out the socialist revolution and have the economic base of a state economy that plans the leading role and a state infrastructure of which the people are the masters. Socialism in our country underwent a crisis but did not collapse. We have renovated our thinking about socialism, have abandoned conservative, dogmatic viewpoints toward socialism, and are building socialism in accordance with a new model, not retreating to the national democratic revolution.

Today, when we are in a period of transition to socialism, there are also people who say that we do not yet have socialism and don't know what socialism is, and therefore to speak of advancing to socialism is an illusion because "We are too nostalgic for a belief we had and

authority we still have, and lack the intellectual courage to consider whether or not that belief must change."

It is necessary to understand the true nature of socialism according to the thought of Ho Chi Minh and how that truth has become part of our people's lives, especially when the nation is beginning a renovation, in order to understand it correctly and not close our eyes and criticize it arbitrarily.

In the words of Ho Chi Minh, socialism means "Everyone has food to eat, has clothes to wear, is educated, and is happy and free," "constantly improving the material living conditions and morale of the people, especially the working people," "the working people escaping from poverty and backwardness," "no one being exploited, everyone having jobs and being well-off and happy," and "attaining a Vietnam that is peaceful, united, democratic, rich, and strong." "Socialism," he said, "is for the people, for the benefit not of one person or a small number of people but for all citizens."

The party documents also affirm that the socialism our people are building is a society in which the people serve as the masters. It has a highly developed economy that is based on modern production forces and public ownership of the principal means of production. It has a progressive culture with a strong national flavor. Its people, who have been liberated from suppression, exploitation, and injustice, work according to their ability and are paid for their labor, are well-off and happy, and have conditions for all-round individual development. The ethnic groups in the nation are equal and united, help one another advance, and have friendly and cooperative relations with the peoples of all nations of the world.

The actual situation in recent years has proved that our renovation undertaking has attained very important accomplishments and has overcome to an important degree the situation of economic-social crisis. The economy has not only overcome difficulties but has attained notable growth in many spheres and entered a period of dynamic development. We reduced inflation from more than 70 percent in 1991 to 5.2 percent in 1993. The rate of economic growth is more than seven percent a year and will increase to more than eight percent in future years. In the past, we were weak agriculturally, but today we produce more than 24 million tons of rice and are ranked third in the world with regard to rice exports.

Diplomatic relations have been expanded and our country's position and prestige in the world have improved. The international environment has improved in a way beneficial to the great task of building and defending our country. Because we adopted the policy of opening the door to the outside, we have relations with nearly 200 nations of the world, which have invested nearly U.S.\$8.5 billion.

We have continued to maintain and strengthen political stability. The party's leading role has been bolstered, the

state's managerial effectiveness has been improved, democracy has been expanded, national defense and security have been assured, and the material lives and morale of our people have clearly improved. Average income increased from U.S.\$200 at the beginning of 1991 to U.S.\$280 at the beginning of 1993. Ho Chi Minh City has a per-capita income of more than U.S.\$600 per year, and in Hanoi it is U.S.\$565. The people's belief in the party and the state, and in renovation, has increased and the mass movement has developed in a number of economic and social spheres.

No one should think that that rate of development was attained because we let up and allowed capitalism to develop. The development of the national economy in recent years has been accompanied by appropriate forms and steps, and has had a socialist orientation. That affirms that we are fully capable of continuing the great task of renovation, and of successfully building socialism in our country.

Of course, the revolutionary process in our country is taking place under conditions with many advantages and considerable dangers, the dangers of falling behind, getting lost, bureaucratic corruption, and the "peaceful evolution" plots of the hostile powers. Those are problems that are being posed and our entire party, population, and army must endeavor to overcome them. But it may be affirmed that the renovation undertaking begun and led by our party is attaining great accomplishments and is opening a brighter path for advancing to socialism. No matter how much the enemy deceitfully distorts and slanders them, our party's just cause and our people are certain to achieve good success.

Footnotes

1. DIEN DAN VIETNAM DAN TOC DAN CHU, No. 3/94 (published abroad).
2. GIAO DIEM, No. 15, 12 January 1994, p 26.
3. FORUM, No. 25, December 1993 (published abroad).
4. THANH TIN MAT THAT, Turpin Press 1994, p 104.
5. Karl Marx, "BAN THAO KINH TE-TRIET HOC NAM 1884" [Economic-Philosophy Drafts, 1844], Su That Publishing House, Hanoi, 1962, p 126.

*** Professor Comments on Rural Industrialization**
952E0032B Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 3-9 Nov 94 pp 18, 33

[Article by Professor Vo Tong Xuan, PhD, of Can Tho University: "For the Economy To Maintain Its Growth, There Must Be a Uniform Policy for Industrialization of the Rural Area"]

[FBIS Translated Text] Since 1989, Vietnam has changed from a food-lacking country to the world's third largest rice exporter, ranking just below Thailand and the United States. With about 2 million tons of rice exported

each year, we can clearly see that once there are an appropriate environment and a correct policy, the Vietnamese farmers will do their utmost to bring into full play their potential in terms of labor, science and technology, and natural resources to enrich their own families and, consequently, contribute to enriching the country as well. Since 1991, our gross domestic product has continuously and rapidly grown at an average rate of 7.5% and is expected to increase by 8.4% in 1994.

Despite this heartening growth rate, according to a report by the United Nations Development Program named "Global Development of Manpower", Vietnam still ranks 153d among the 173 countries of the world in terms of average per capita gross domestic product (based on relative purchasing power). But, if the total manpower development index (including the social development indexes) is used as the basis for calculation, Vietnam ranks 116th. This shows that our capacity for economic development is still low compared to our manpower potential. The initial results of a study of the Vietnamese people's standard of living (funded by the World Bank) have shown that, on the average, 51% of our population live below the poverty line (according to the standard intake of 2,100 calories per day). There is a sharp contrast between the rich and the poor in every region of the country, with the poorest people living in the Bac Bo midlands (71% of the local population) and the northern mountain area (59% of the local population). In various regions, the poor account for 90% of the rural population and 10% of the urban population. The poorest households are those totally depending on agricultural production, in particular rice planting, for a living. The history of the development of the rich countries in the world today shows that at the stage where an overwhelming majority of the population still live off the land, any policy that has a positive impact on the rural area will create proper conditions for the peasantry to extricate themselves from poverty and backwardness at an early date, to enhance their purchasing power, and to increase their demands for industrial products, thereby promoting industrial development. Still, there are a few economists who contend that if the rural area is to develop, we should build more factories and enterprises capable of consuming a great deal of agricultural raw materials; then, peasants would be able to sell their products and would become prosperous in no time. But, an important question is: Would these factories and enterprises be able to sell their products? Would there be steady markets for them? Our recent experiences have clearly proved the fact that, although the Vietnamese peasantry grow enough rice to be processed by the mills for export, neither the farmers nor the state make a profit. This reality is most evident in the Mekong delta: There, in the region that produces the greatest surplus of rice of our country, the peasants still live in poverty and risk losing everything they have in a single flash flood.

Fully aware of this situation, the Fifth Plenum of the party Central Committee affirmed the party and state policy of developing the rural area; and the Seventh

Plenum of the party Central Committee launched a subsequent phase of renovation aimed at modernizing the country by further promoting the industrialization of various sectors of the national economy. At a time when the country still sorely lacks investment capital but has a great surplus of labor, how should we go about carrying out national industrialization to modernize Vietnamese society, thereby enabling it to catch up with the advanced countries, in particular our neighboring countries?

The experiences of some poor countries of the world have shown that, to quickly achieve economic development, the state cannot follow an industrialization strategy giving priority to heavy industry that requires considerable investment capital at a time when the state budget is too small. In the Philippines, during the 1950's, the government failed completely when it pursued a heavy-industry strategy, as China would fail later in the period prior to 1978. Many countries have changed direction, opting for the policy of investing on a priority basis in small industries that suit the domestic capital-procurement capability but employ a great deal of rural labor. These are the rural enterprises that are changing the face of the countryside of many Asian countries such as India, Malaysia, the Philippines, Bangladesh, and Thailand.

The industrialization of rural production activities needs the support of suitable technologies. Suitable technologies should be selected according to the following criteria:

- Yielding long-term economic benefits
- Employing a great deal of labor
- Requiring little capital
- Making effective use of foreign capital
- Ensuring easiness in production, use, and maintenance
- Using domestic raw materials the more the better
- Meeting present and future social needs
- Helping expeditiously to alleviate hunger and poverty

Many of us who have had the opportunities to visit neighboring countries and advanced nations in Europe and America must have at times felt great anguish when thinking of the fact that, at the threshold of the 21st century, our countryside still remains underdeveloped and enjoys little of the comforts offered by the modern life of the 20th century. We have only to travel a few dozens of kilometers from Hanoi or Ho Chi Minh City to see the back-breaking toil of the people who depend on agriculture for a living. We must create conditions for using tractors in farming, thereby quickly eliminating the sight of our peasants hoeing the soil or drawing plows in the place of water buffalo. What should we do to ensure that they no longer have to brave the frost to care for each row of rice seedlings but still have enough seedlings for transplanting when they need them? What should we do to provide them with rice-plant color checking paper and to ensure that they know how to use

it in order to know what kind of fertilizer to apply and when to apply it, thereby saving as much fertilizer as possible? The thorniest problem for all peasants is to dry paddy. The main reason why Vietnamese rice is of poor quality is that the paddy is not properly dried after harvesting. What should we do to help our peasants dry their paddy properly immediately after harvesting, without having to use roadways as drying yards, thereby ensuring that their rice is of the best quality and will sell at a higher price? Can we provide the rural area with more storage facilities for agricultural products, particularly paddy, to prevent post-harvest losses? When will we replace the current two-wheeled, man-drawn carts with more efficient means of transportation?

In the movement to restructure agriculture, the subsidiary food crops are yielding increasingly higher income for the peasants. Farming implements for soil preparation, furrowing, and earthing up the roots of plants which could also be used to apply fertilizer, to pull up potatoes and beans, to extract oil by pressing, to dry seeds and coconut... will enable the peasants to improve the results of their labor and to modernize their production. In animal husbandry, farms and stations producing breeders, including fish and shrimp, will become very necessary. The animal feed industry should be improved to become suitable for rural households. The biogas industry using polyethylene bags in gas tanks should be quickly used to replace household septic tanks in the Mekong delta.

The traditional professions and trades should be restored, and we must study ways to improve and modernize them, in particular once the rural area has been electrified. Studies must be made and appropriate technical measures adopted to improve handicrafts such as mat making, basketry, spinning, blacksmithing, carpentry, lime making, pottery.... Traditional professions concerning agricultural products processing and maintenance must be improved by introducing more suitable modern technology in anticipation of growing demands—caused by agricultural restructuring—for products such as litchi, longan, apricot, plum, mushroom, fish, shrimp....

Modernization of the rural area will be accelerated if it accompanies electrification. However, electrification of the rural area need more rational investment; we should put an early end to the state wherein affluent localities can get electricity easily because power lines are extended to private homes free of charge by power companies, while remote, poor areas are denied electricity if they do not have money to buy poles, wires, and transformers.

In the near future, introducing telephone—in particular wireless telephone—services to the rural area will play an important role not only in meeting the demands of the rural population for economic information but also in providing the people in remote localities with a means of mass education. Because of difficult communications

and even of a lack of access roads, our remote regions suffer from shortages of teachers, in particular good ones. If this state of affairs persists, we wonder when the rural people will be able to enjoy the benefits of education, culture, and modern science and technology as the urbanites do. With the advent of modern wireless telephone technology, if we have a sufficiently powerful solar panel and a television set connected directly to the wireless telephone system, a classroom in a remote rural area will be able to watch and listen to lectures by teachers through educational programs organized by the Ministry of Education.

Foreign Investments Reach \$4.7 Billion in 1994

BK0801153095 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Jan 95

[FBIS Translated Text] There were many major investment projects in 1994 that were important to the Vietnamese economy and the region. These licensed projects were worth \$4.71 billion, and represented a 45.4 percent increase compared to 1993, or an 11-fold rise in investment compared to the first year of the implementation of the Law on Foreign Investment. Noteworthy is that the State Committee for Cooperation and Investment has granted licenses to many small projects, while allowing productive projects to increase capital.

*** Activities in the Oil, Gas Industry Noted**

952E0032A Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 27 Oct-2 Nov 94 pp 20, 29

[Article by Nguyen Trieu Hai: "The East Sea Diary"]

[FBIS Translated Text] During his visit to Ho Chi Minh City to make preparations for the Second Oil and Gas Fair of Vietnam, scheduled for March 1995, the top official of Vietnam Petro, Mr. Ho Si Thong, declared without reserve: "The prospects for Vietnamese oil and gas exploitation are becoming more and more attractive." Reality has shown that his observation was not without foundation in fact. Over the past nearly one year and a half, the country's nascent oil and gas industry has undergone heartening development, with hectic, lively activities being reported almost daily....

From oil and gas prospecting and exploitation...

Phung Dinh Thuc, director of the Exploitation Enterprise of the Vietnam-Soviet Union Oil and Gas Joint Venture (Vietsovpetro), stressed during an interview with us early this year that one of his concerns was how to quickly lay an undersea pipeline from the Rong [Dragon] mine to the Bach Ho [White Tiger] mine so as to complete the project in mid-1994. Today, the young manager of the Exploitation Enterprise can put his mind at ease now that the building of 22-km pipeline connecting the Rong mine with the Bach Ho mine by the Oil and Gas Construction and Installation Enterprise was completed on 19 August 1994.

The commissioning of the oil pipeline will not only help save a lot of expense—compared to the cost of using tankers and building an oil loading station right at the Rong mine—but will also increase the daily output of the Rong and Bach Ho mines to about 19,500 tons. Owing to such efforts, in the first nine months of this year, the 11 stationary and four mobile oil rigs of Vietsovpetro have extracted 5.16 million tons of oil, equal to 81.7% of the output of the whole 1993.

Offshore oil prospecting in the East Sea has not been less hectic compared with oil exploration in the sea of Vung Tau. In July, Japan's Mitsubishi Oil Company Ltd. announced the discovery of a new oil mine with a large reserve at Lot 15-2. Located at the depth of 3,000 meters, the new mine may yield up to 10,436 barrels a day. Meanwhile, the Malaysian company Petronas declared that it has found an oil mine at Lot 1-2, 50 km to 100 km north of the Bach Ho mine and 120 km off shore, in an area belonging to the Mekong Basin. Named Ruby, the oil mine has a capacity of 3,000 barrels a day. As for the Ongo Videsh Corporation Ltd. and the BP-StatOil consortium, a British oil firm, they announced that they have discovered two natural gas mines south of Con Son Island. Called Lan Tay and Lan Do, the two mines have a reserve of about 57 billion cubic meters. BP-StatOil executives said that they have already discussed building an undersea pipeline to convey gas from the area south of Con Son Island to the mainland for distribution to the power, fertilizer, and some other industries. They have also talked about the possibility of exporting natural gas to Japan, Thailand, and other Asian countries.

Most hectic of all have probably been the oil and gas prospecting activities of the Dai Hung [Big Bear] Joint Venture, which includes Petro Vietnam, BHP (Australia), Petronas Carigali (Malaysia), Total (France), the Sumimoto Group (Japan). BHP, holding 43.75% of the shares, runs the joint venture. To date, the joint venture has completed drilling to determine oil reserves, has concluded the first stage, and has begun exploitation, producing an average of 25,000 barrels of crude oil per day.

On this year's National Day, 2 September, the Dai Hung Joint Venture introduced the use of a drilling ship specially designed for operation in deep seaports (100 meters) to prepare for the switch to the experimental production of crude oil. From Singapore, the Deep Sea Pioneer—now renamed Dai Hung 1—sailed to the Dai Hung oil field, some 250 km from Vung Tau, to begin operation. Mr. Neil Ferguson, general director of the Dai Hung Corporation, said that Dai Hung 1 carries aboard a complete experimental crude oil production plant capable of turning out about 25,000 barrels per day. He also disclosed that, addition to oil, the Dai Hung mine also yields natural gas. BHP has finished drawing up a plan to use the natural gas to be extracted from this mine. Operating according to plan, on 14 October 1994, the Dai Hung mine produced the first batch of oil, marking the dawning of a new stage in the history of oil and gas production in Vietnam.

On sending of natural gas from the Bach Ho mine to the shore

On 9 January 1994, the state-level major project of "the Bach Ho-Thu Duc Gas Collection and Transportation System" was officially launched. After nearly seven months of construction, on 22 August 1994 the Hyundai Group announced that they had completed installing the 123.5-km natural gas pipeline from the Bach Ho mine to the Ba Ria gas turbine power plant.

For more than 200 days, the barge Hyundai 2500 and the service ships had operated on the open sea and on the desolate rivers in Ba Ria and Long Hai, having to cope with rainy and stormy weather half of the time. Working round the clock, the crew strictly carried out all technological processes under the supervision of Petro Vietnam and the Lloyd international maritime safety control agency. Aboard the Hyundai 2500, 250 workers (including 90 Koreans, 46 Vietnamese...) were permanently present. Braving windy and rainy weather, they took turns welding and placing pipes under the sea, a task considered to be extremely difficult. The pipes, each measuring 16 centimeters in diameter and 12 meters long, and weighing almost 3 tons, were painstakingly joined together by seven welds. Any weld found not properly done when passing through a small ultrasound room would be returned immediately for rewelding.

The Union of Oil and Gas Construction Enterprises has sent two units—Construction Units 1 and 2—to build a gas distribution station at Ba Ria and a gas separation and refining station at Long Hai Township. The construction pace at these two sites has been fairly fast owing to highly favorable on-shore construction conditions. The gas distribution station, located next to the Ba Ria gas turbine power plant, has an area of 6,500 square meters. It comprises an emergency generator system, a gas burning equipment complex.... The Long Hai gas separation and refining station is composed of a gas separation and refining section, a gas burning section, and so forth. Both on-shore projects were completed in late August and were turned over to the units responsible for installing equipment inside the buildings.

Thus, after a short period of time, the project designed to convey natural gas from the Bach Ho mine to the shore—a project requiring an investment of \$55 million—has been basically completed. It is October now, the month when the gas necessary for the operation of the Ba Ria gas turbine power plant would be delivered as promised, according to Mr. Y.J. Shin, the executive director of the Hyundai Group.

This is also the expectation of Petro Vietnam. However, according to Nguyen Duc Lan, head of the Planning Office of the gas project management board, the commissioning of the project of "collecting and conveying natural gas from The Bach Ho mine to the shore" will not take place in mid-October as planned, but will be postponed until November. The delay is caused by the fact that an important piece of equipment which belongs

to the upper section of the vertical pipe network connected to the technical center number 2 at the Bach Ho mine, and which was ordered from Italy, has not yet arrived in time.

VNA Lists Construction Projects for 1995

BK0801083695 Hanoi VNA in English 0534 GMT 8 Jan 95

["Major Constructions in 1995"—VNA headline]

[FBIS Transcribed Text] Hanoi VNA Jan 8—In 1995, Vietnam will have 34 major constructions and a national project named 'Protect and Regreen the Bare Hills'. Some of these projects were started many years ago.

—The Yaly Hydro-Electric Power Plant, which started construction in 1993 in Chu Pah District, Gai Lai Province, with a total investment of 5,713 billion VND [Vietnamese dong] and a design capacity of 720 MW [megawatts] will be completed in 1999.

—The Thac Mo Hydro-Electric Power Plant (Song Be Province) will have two turbines with a combined capacity of 150 MW. Total investment is 1,563 billion VND.

—The Phu My Thermo-Electric Power Plant (Ba Ria-Vung Tau Province) with a design capacity of 600 MW. Construction will be started in 1995 and completed in 1999. Total investment is 9,736 VND.

—The Ham Thuan Dami Hydro-Electric Power Plant in Binh Thuan Province with a design capacity of 472 MW, will start construction in 1996 and be completed in the year 2000. Total investment is 7,635 billion

VND, most of which will come from Japanese ODA [overseas development assistance].

—The 110-220 kv [kilovolt] line network composed of 89 transformers of the 110-220 kv type and 2,470 km of cable. Total investment is 2,470 billion VND.

—The Cau Trang Coal Sorting Factory with a design capacity of between one million and two million tons/year.

—The upgrading of the 2,240 km Highway 1A from north to south Vietnam with financial assistance from ADB [Asian Development Bank] and WB [World Bank].

—Highway 5 from Hanoi to Haiphong with total investment of 1,371 billion [currency not specified], including 103 million USD [U.S. dollars] from Taiwan and Japan and 251 billion VND from domestic sources. The work is slated to complete in 1997. Other highways are Highway 30 in Hong Ngu District, Dong Thap Province, Highway 80 (Dong Thap-Kien Giang), Viet Tri Bridge (Vinh Phu Province), Song Gianh Bridge (Quang Binh Province).

—The upgrading of the north-south railway totalling 1,730 km.

—The FIR [flight information region] in Hanoi, Danang, Quy Nhon and Ho Chi Minh City. Long distance radar stations have been installed in Danang, Quy Nhon and Ho Chi Minh City.

—In 1995, Vietnam will also invest in nine major irrigation works.

Australia

'Major Benefits' Seen From Japan Space Project

*BK0701131495 Melbourne Radio Australia in English
1100 GMT 7 Jan 95*

[FBIS Transcribed Text] South Australian Premier Dean Brown says his state stands to reap major benefits from the role of the Woomera Rocket Range in the international space industry. Mr. Brown was commenting on Woomera's selection as the site for trial by Japan's National Space Development Organization. Mr. Brown says 50 Japanese space agency officials are expected in South Australia shortly to prepare for the landing of an unoccupied space shuttle next year. He says the project will be conducted in stages, beginning with the development of an automatic landing system for the craft with work due to start later this year.

[Begin Brown recording] South Australia could also be involved not only in the installation of the infrastructure—that means putting in specialized landing equipment at Woomera and of course support for the Japanese staff here—but also very importantly in the development contracts, and particularly the computer contracts that could go with this program. [end recording]

Papua New Guinea

Prime Minister Defends Economic Management

*BK0901061395 Hong Kong AFP in English 0542 GMT
9 Jan 95*

[FBIS Transcribed Text] Port Moresby, Jan 9 (AFP)—Papua New Guinea Prime Minister Sir Julius Chan has defended his government's management of the economy, telling those he described as prophets of doom and gloom to "go to hell," it was reported here Monday.

In weekend comments reported by the POST-COURIER daily, Chan said the economy was proving buoyant, contrary to what critics were saying, and that he was not going to "wave the white flag."

"I intend to fight it out and use every means to trade ourselves out of this mess," Chan was reported as saying. "The problems are man-made and we can solve them, and on that note I am prepared to face 1995," he said. "We have survived because we are survivors. We are a spirited people because we have not thrown in the towel." He told the POST-COURIER the "prophets of doom and gloom" can "go to hell."

Chan's comments came after a report December 30 in the AUSTRALIAN FINANCIAL REVIEW national business daily that the World Bank, International Monetary Fund, Asian Development Bank and Australian government are preparing to offer a 250 million US dollar rescue package with tough conditions. The paper said Papua New Guinea was "drowning in public debt" of about six billion Australian dollars (4.6 billion US), or 120 percent of gross domestic product. Severe cash problems late last year led to the government devaluing the local currency, the kina, by 12 percent and subsequently floating it against a basket of foreign currencies, which saw it further decline.

The World Bank rescue package conditions were reported to include the abolition of a 30 million kina (25 million dollars US) annual fund used by politicians to finance electoral projects and widely abused. Others included reducing or abolishing the agricultural price support scheme, implementing a sustainable forestry policy, abolishing or selling non-essential government operations, and redirecting spending towards health, education and infrastructure.

Chan said his government would look at internal remedial measures before resorting to outside help.

"We are a sovereign state and we are taking a determined approach to our financial problems," he said, adding the electoral fund and agricultural support scheme would not be abolished so long as he was prime minister. He said that since taking office last September his government had paid off 170 million kina of the total 200 million kina in internal debts.

The FINANCIAL REVIEW reported Monday that chief issues being considered by the government included how to immediately realise revenues from a 22.5 percent stake in the Kutubu oilfield, via a scheme from Salomon Brothers or Banque Paribas.

Another was whether to take up a Wardleys Bank proposal to buy and on-sell a third of the government's 30 percent entitlement in the Lihir gold project.

Meanwhile, a group calling itself the Melanesian Solidarity Inc. for Justice and Dignity began a campaign aimed at excluding the World Bank and IMF from Papua New Guinea affairs.

In a full page newspaper advertisement Monday, it said economic structural adjustments and austerity measures offered by these institutions had been tried and proved to have failed in other developing countries.

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